

Gazit-Globe Ltd.

Corporate
Responsibility
Report

The background of the slide is a solid light gray. It is populated with a dense, overlapping pattern of white-outlined geometric shapes. These shapes include rectangles, squares, triangles, and trapezoids of various sizes and orientations, creating a complex, architectural, or urban map-like texture.

Corporate Responsibility Report

Message from the President



As a global platform, with subsidiaries operating in 20 countries and over 3 continents, we care about the environment and implement our ecological beliefs with green construction according to international standards.

Gazit-Globe Ltd. proudly presents its first Corporate Responsibility Report, which represents a further important aspect in our attitude towards our employees, the environment, and our surrounding communities. Corporate Responsibility has always been, and will always continue to be, an issue which reflects our positive perspective and ongoing activities as a leading global real estate company.

At Gazit-Globe, we are committed to leading processes which reflect our beliefs. Thus, among other things, we have formulated an ethical business conduct code, which applies to our employees and executives, and which reflects our core values. For the past 4 years, Gazit-Globe has been listed on the Maala SRI (Socially Responsible Investing) Index that includes the shares of the 20 Public Companies Index with the highest ranking by the Maala Organization for Social Responsibility. The Maala Organization is Israel's leading advocate on corporate values and citizenship inspired by the US-based Business for Social Responsibility. In 2009, Gazit-Globe was moved up from Gold to the highest rank of Platinum.

As a global organization, with subsidiaries operating in 20 countries, we care about the environment and implement our

ecological beliefs with green construction according to international standards. In Canada, Finland and Sweden, we have constructed new shopping centers that meet the LEED (Leadership in Energy and Environmental Design) Standard for eco-friendly construction. Furthermore, our Canadian subsidiary First Capital Realty was the first company in Canada to build a "green" shopping center and commit to all new shopping centers meeting the requirements of the LEED certification. Gazit-Globe's plan is to expand its environmentally conscious philosophy step by step, worldwide.

Gazit-Globe believes in the importance of developing solid relationships with its surrounding communities. To this end, we recently strengthened our philanthropic activities among various organizations. Gazit-Globe's North American affiliate in the healthcare real estate sector takes pride in proactively supporting the outstanding charitable and volunteer efforts of leading providers including best-in-class hospitals and medical-research universities. Gazit-Globe partners with numerous organizations and develops positive relationships within the community by generously giving and participating at benevolent events year-round. With enthusiastic involvement not only from our employees but from our tenants as well, Gazit-Globe is able to unify its efforts, enhance team building, and allow its relationships to flourish while achieving successful results.

We continue to support the financial needs of various entities in a

range of industries including health, education, arts and culture, and welfare. Our approach to our employees always matches our values of fair employment, non-discrimination, and respecting our employees and their rights.

This Corporate Responsibility Report is an excellent opportunity for us to express our belief in transparency in our interaction with investors, clients, and other stakeholders. It offers a way for us to show that we believe that social involvement is a continuous and ongoing process, which requires effort, commitment and patience. Our first Corporate Responsibility Report reflects our outlook and our diverse activity in this field, and will serve as a compass for our continued involvement, contributions and socially-aware orientation.

Our Corporate Beliefs

- We believe that responsible business conduct which takes the environment in which we operate into account, serves as a true opportunity for leading organizations such as Gazit-Globe to establish proper business norms and to initiate processes which will influence and benefit society.
- We believe that investments in environmental conservation in general, and in green construction in particular - for example by constructing LEED conforming shopping centers - is both economically viable and meets our clients' needs to conduct their day-to-day activities in environmentally-friendly shopping centers.
- We believe that moral and fair conduct with employees creates good, healthy and fruitful relations, and contributes to the integrity of the organization and the company.
- We believe that transparent and open conduct with our stockholders (shareholders, bond-holders, and others) is a key to healthy and mutually beneficial relations in the long term.

- We believe that involvement in the community, volunteer work and donations are an integral part of our world view, and of our identity as a leading organization.

Key Influences and Trends

The recent global economic crisis was characterized by uncertainty and unease, both in the corporate world as well as for individuals and communities. Now, more than ever, our corporate DNA should reflect that we are socially aware; provide contribution and aid to the community; adopt moral and transparent conduct; and that we do our utmost to conserve our natural resources. As we adopt this critical perspective, we are positioning ourselves as one of the leading companies, in both our local and global locations, while setting the standard for proper conduct today, tomorrow and for the future.

Roni Soffer

President
Gazit-Globe Ltd.

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Stakeholders

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GRI Index

A New Era

A New Perspective





Looking to the
Future with
Endless **Vision**
and Timeless
Quality

Introduction



Corporate Responsibility ("CR") is a form of corporate self-regulation that is integrated into a business model that strives for far-reaching commercial success while implementing social, environmental and moral issues into its daily, ongoing conduct. Corporate responsibility promotes the idea that each corporation has a responsibility to look after its stakeholders. The stakeholders of a commercial entity are the players who influence and may be influenced by the corporation's activity, i.e. - clients, suppliers, employees, partners, shareholders; the community in which the organization operates, and government and non-government organizations that are relevant to the organization's activity.

Corporate responsibility deals with various different issues from vision to values, working environment and employee conditions, environmental sustainability, work ethics and more. Its key purpose is to develop a dialog with stakeholders, enhance organizational communication and report on social activities, while enabling stakeholders to express their opinions and expectations of the organization. This is an ongoing process, and social reporting is only a small aspect which enables a continuous dialog between the organization and its stakeholders.

Our Mission •

At Gazit-Globe, our mission is to maximize shareholder value through continued growth of its global real estate platform and through consistent growth in cash flow and dividends policy as well as working towards full transparency to its shareholders.

We work with the finest in the industry and promote excellence of execution while leveraging our financial and intellectual property to drive growth, size and value.

Corporate Responsibility Report

The Corporate Responsibility Report, also known as the "CSR" or the "Sustainability Report", is a way of expressing and reporting the organizations' activities in the field of Corporate Responsibility. The report summarizes the organization's activities and performance, and enables them to be measured in relation to other companies and/or relative to the organization's past performance while enabling a future strategy to be set.

Endless Vision,

This report enables dialog between the organization and all its stakeholders which ultimately benefits all parties involved. This is an open dialog that relies on transparency as well as consistency and reliability of the organization's data. It promotes stakeholder involvement and feedback regarding material issues as defined by the organization and its leading players and stakeholders.



Timeless Quality

Corporate Responsibility Activities





This report deals with Gazit-Globe Ltd's ("Gazit-Globe") diverse activities in the various fields of Corporate Responsibility. This report serves as the first Corporate Responsibility Report issued by Gazit-Globe, although Gazit-Globe has been active in the field of Corporate Responsibility for several years. Gazit-Globe's aim is to continue managing and improving the company's CR performance and it is working towards establishing a reporting cycle.

Gazit-Globe places great emphasis on responsible management of all its business, and seeks to promote Corporate Responsibility issues in the various countries where it operates. To this end, Gazit-Globe has decided to issue a CR Report in order to detail all its activities in this area. This report offers us a unique opportunity to take pride in our achievements in the field of Corporate Responsibility while setting our goals for the future.

For the purpose of preparing and of defining the report content, Gazit-Globe established a team of executives that consulted with external CR advisors to examine the different possibilities and set the report scope, structure and content. Among other issues examined, the subject of stakeholders was addressed in a team meeting where potential stakeholders were presented and relevant stakeholders were identified.

This report chiefly covers the Company's CR activities in 2007-2008, however it is possible that data may be cited from earlier periods. The bulk of activities reviewed in this report are those of the parent company (Gazit-Globe Ltd.), but occasionally include activities of the subsidiaries in Israel and abroad. This is critical as their operations constitute a significant part of Gazit-Globe's activities, and reflect the parent company's commitment to promoting and implementing Corporate Responsibility.

The data presented in this reports was obtained from Gazit-Globe and its subsidiaries. All the information (economic, environmental, HR etc.) was presented by the responsible officers at and is in accordance with accepted-known techniques.

It is important to note that this report is structured according to the 3G requirements of the Global Reporting Initiative (GRI), which has been operating for over ten years to promote social-ecological and sustainability reporting among corporations around the world (see GRI Index at the end of this report). We utilized GRI's reporting criteria as accepted by leading global organizations around the world such as Microsoft, IBM, NIKE, Vodafone and more. Furthermore, we decided to present additional data of importance to corporations operating in Israel, including data required by the "Maala" organizations, as reflected in the "Maala" annual rating questionnaire.

Gazit-Globe is a member in the Maalas Organization. Maala is a non-profit membership organization whose creation was inspired by the US-based Business for Social Responsibility (BSR) aspiring to be the leading

professional resource assisting Israeli businesses in developing and implementing a Corporate Social Responsibility (CSR) strategy that contributes both to the companies' success and to the enrichment of Israeli society.

In past years, Gazit-Globe participated in Maala's annual CSR performance based ranking of corporations (first introduced in 2003). The ranking is based on a questionnaire designed to reveal information concerning Business Ethics, Human Rights, Work Environment, Community Involvement, Environmental Issues and Corporate Governance.

In the 2009 ranking (based on 2008 performance), Gazit-Globe scored a satisfactory ranking and improved its ranking to "Platinum", the highest ranking on the scale.

The Maala CSR Index is listed on the Tel Aviv Stock Exchange - index level is determined by the results of the ranking.







OUR CORE VALUES...

influence our global
activities, inspire
our performance
and impact our
daily decisions.

OUR CORE VALUES

Wherever we
are located,
our corporate
values unite
and guide us



 Professionalism

 Financial
Growth

 Reliability



 Transparency

 Business
Discipline

 Social
Responsibility

Gazit-Globe Group

Organizational Profile - Standard Disclosure

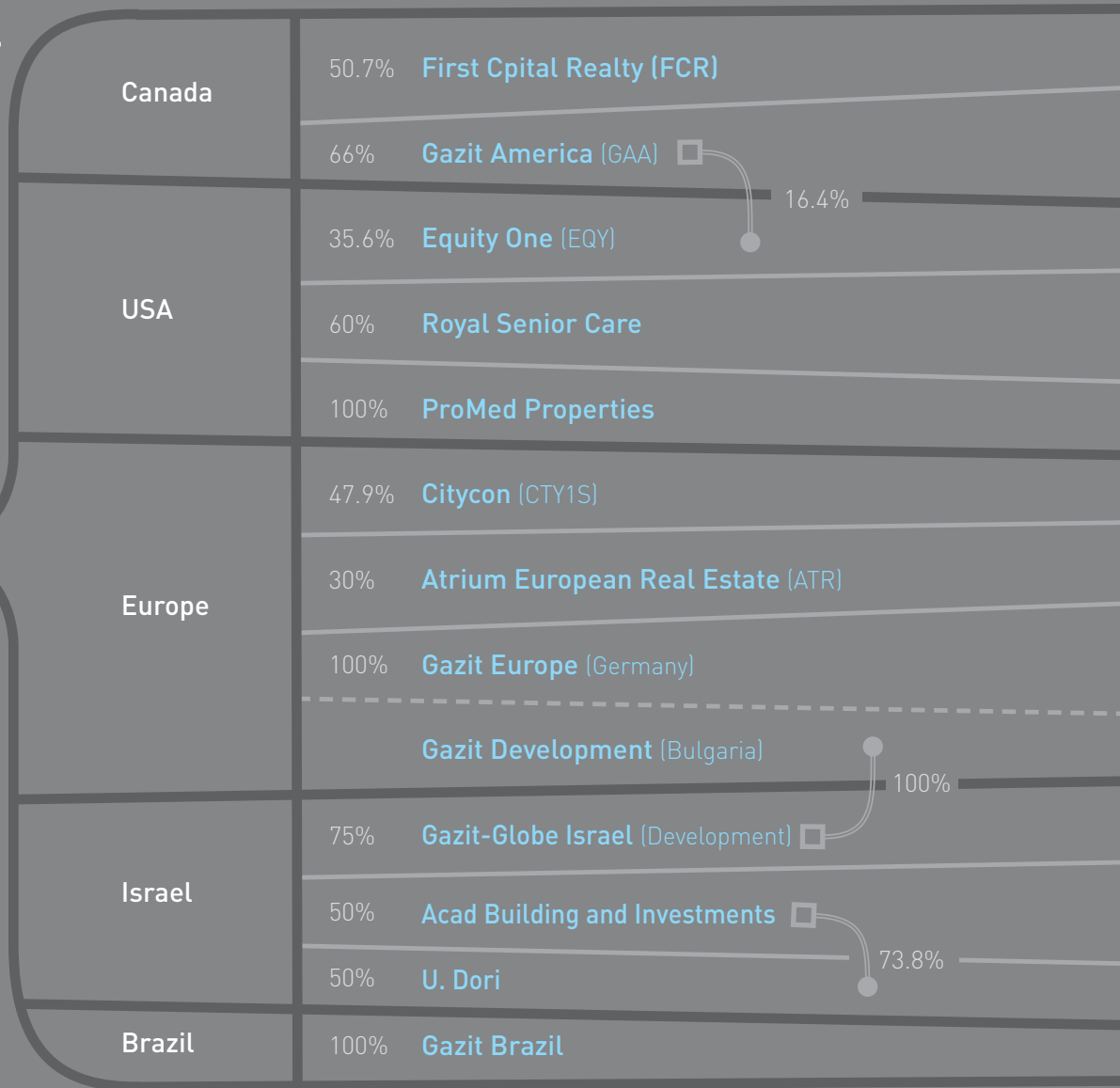
Gazit-Globe is a global Real-Estate Investment Company with subsidiaries operating in 20 countries and over 3 continents. Gazit-Globe is traded on the Tel Aviv Stock Exchange and is listed on the Tel Aviv 25 and the Real Estate 15 Index. Gazit-Globe engages in the acquisition, development and management of income-producing properties around the world and focuses mainly on supermarket-anchored shopping centers in growing urban locations. In addition, the Company is active in the senior housing and the medical office building sectors in North America. Gazit-Globe also continues to seek and realize opportunities in its line of business and/or in similar asset classes, both in regions where it operates and in new regions.





Organizational Structure

Gazit-Globe



* As of December 2009



GAZIT-GLOBE



GAZIT BRAZIL

CITYCON
creating success for retailing



**GAZIT
IMMOBILIEN**



Gazit Globe Israel



Shopping ^{Green} For Everyday Life 



Gazit Group - Membership in Associations

EPRA: The European Public Real Estate Association, a common interest group which publishes 'best practice' in accounting, financial reporting and corporate governance for European listed real estate companies.

RAKLI: The Finnish Association of Building Owners and Construction Clients.

ICSC: The International Council of Shopping Centers.

NCSC: The Nordic Council of Shopping Centers.

GRI: Global Reporting Initiative, an international initiative to create a framework comparable to financial reporting, for social responsibility reporting by companies and organizations.

IEA: The International Energy Agency, an intergovernmental organization which acts as energy policy advisor to <http://www.iea.org/country/index.asp> 28 member countries in their effort to ensure reliable, affordable and clean energy for their citizens.

UNEP: United Nations Environment Programme. The Organization monitors the global environment and co-ordinates activities to prevent environmental threats and alleviate or eliminate any hazards.

UNEP SBCI: The UNEP Sustainable Buildings and Climate Initiative.

WBCSD: World Business Council for Sustainable Development.

WRI: World Resources Institute, a non-profit organization supporting research, conferences, education, training, and policy initiatives for environmental stewardship and sustainable development.

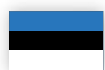
Israel - America Chamber of Commerce

Israel - Canada Chamber of Commerce





Global Presence



Estonia



Finland



Bulgaria



Canada



Brazil



United States



Turkey



Ukraine



Germany



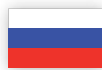
Israel



Sweden



Slovakia



Russia



Romania



Latvia



Hungary



India



Georgia




Czech Republic



Poland



Lithuania



Gazit-Globe is active in North America, Europe, Israel and Brazil.



Israel

With headquarters located in Tel Aviv, Israel - Gazit-Globe operates in Israel through its subsidiary Gazit-Globe Israel (Development) Ltd. ("Gazit Israel") - which engages mainly in the acquisition, development and management of shopping centers in Israel. Gazit Israel owns 10 income-producing shopping centers that include a total Gross Leasable Area (GLA) of approximately 131,000 m², as well as 2 shopping centers currently under development. Gazit-Globe also operates in Israel through U. Dori Engineering Works Corporation. U.Dori is one of Israel's leading construction companies and is primarily engaged in the construction of all asset classes of real estate in Israel.

United States

Gazit-Globe operates in the United States mainly through Equity One Inc. (EQY), a public company traded on the NYSE. EQY is a REIT (Real Estate Investment Trust) that operates in high-growth locations in the south-eastern United States, particularly in Florida and Georgia, as well as in Boston, Massachusetts and New-York. EQY owns more than 170 income-producing properties, with a total GLA of approximately 1.5 million m².

In addition, Gazit-Globe operates in the United States through Royal Senior Care (RSC), which is active in the senior housing market in the south-eastern United States and owns 15 senior housing projects. Gazit-Globe also operates through ProMed Properties Inc. which is active in the medical office building market, and owns 10 medical office buildings with a total GLA of approximately 90,000 m².



Canada

The Company operates mainly through First Capital Realty Inc. (FCR), a public company traded on the Toronto Stock Exchange (TSX). FCR is active primarily in Ontario, Quebec, Alberta and British Columbia, and owns more than 170 income producing properties, mainly supermarket anchored shopping centers with a total GLA of approximately 1.8 million m².

In Canada, the company also operates through Gazit America Inc. (GAA), a public company listed on the TSX. GAA is active in the medical office buildings sector and owns 2 medical office buildings, with a GLA of 11 thousand m².

Europe

In Northern Europe, the company operates through Citycon Oyj (Citycon), a Finnish public company traded on the Helsinki Exchange (OMX). Citycon operates in Finland, Sweden, Estonia and Lithuania, and owns more than 80 income producing properties with a total GLA of

approximately 0.9 million m². Furthermore, Gazit-Globe operates through Atrium European Real Estate (Atrium), an Austrian public company traded both on the Vienna Stock Exchange as well as the Euronext in Amsterdam.

Atrium specializes in the acquisition, development and management of supermarket-anchored shopping centers in Central and Eastern Europe. The company owns over 150 income producing properties with a total GLA of approximately 1.1 million m². In addition, Gazit-Globe is active in Germany through its fully-owned subsidiaries (hereinafter Gazit Germany) and owns 6 shopping centers with a total GLA of approximately 95,000 m².

Gazit-Globe is also active in Bulgaria and Macedonia through fully-owned subsidiaries of Gazit-Globe Israel Ltd.

Brazil

Gazit-Globe operates in Brazil through Gazit Brazil, a fully owned subsidiary which owns, develops and operates three shopping centers with a total GLA of 18,000 m².

○ Corporate Governance, Responsibilities and Dialog



Katzman Chaim
Chairman of the Board

Born: 1949

Education: LL.B., Law Graduate,
Tel Aviv University (73)

Current Positions: Chairman of the Board
– Gazit-Globe Ltd. (TASE: GLOB), Gazit Inc.,
Equity One Inc. (NYSE: EQY), First Capital
Realty Inc. (TSX: FCR), Atrium European
Real Estate (VSX: ATR).

Membership: The National Association of Real Estate (NAR);
International Council of Shopping Centers (ICSC); The Urban
Land Institute (ULI); National Association of Real Estate
Investment Trusts (NAREIT); The Real Estate Roundtable

Civic Activities: Member of the Board of Governors of Tel Aviv
University and serves as Florida Chair of the University's
American Council; Serves on the Board of the Miami Art
Museum (MAM); Founder of the "Chaim Katzman Gazit-
Globe Real Estate Institute" at Tel Aviv University.

Honors and Awards: Jewish Federation of Palm Beach
– 2007 real estate industry luncheon ; State of Israel
Bond – Presented to Chaim Katzman in recognition and
appreciation of outstanding support of the economic
strength and security of the state of Israel – 2009
Residence: Aventura, Florida, USA



Arie Mientkavich
Deputy Chairman

Born: 1942

Education: LL.B., Law Graduate, Hebrew University (70); B.A., Political Science, Hebrew University (68)

Current Positions: Chairman of the Board – Gazit Globe Israel (Development) Ltd.; IDB Holding Corporation Ltd.; Elron Electronic Industries Ltd.; RDC – Rafael Development Corporation Ltd; Director – Medingo Ltd.; Given Imaging Ltd.; NuLens Ltd.

Membership: License Committee and Advisory Committee of the Bank of Israel (the Central Bank of Israel) on matters concerning banking; Advisory Board of National Defense College of Israel.

Civic Activities: Chairman of the Board of Trustees of the Academy of The Quality of Government Movement In Israel; Chairman of

the Public Council of Yad Sarah, a voluntary organization in the field of humanitarian support of Public Health; Chairman of the Public Committee, in conjunction with the Yad VeShem Holocaust Center, for the documentation of the contribution of the Holocaust Survivors to the Establishment of the State of Israel; active in the organization of the annual March of the Living to the Concentrations camps.

Honors and Awards: Knight of Quality Government in 1995 by the Movement for the Quality of Government in Israel.

Residence: Jerusalem, Israel



Dori Segal
Executive Vice Chairman

Born: 1962

Education: High School

Current Positions: President and CEO of First Capital Realty Inc.; Executive Vice Chairman of Gazit-Globe; Vice Chairman of Equity One Inc.; Director of Citycon Oyj; Chairman of Gazit America; Vice Chairman of RealPac, the Real Property Association of Canada.

Membership: International Council of Shopping Centers (ICSC); RealPac – the Real Property Association of Canada

Residence: Toronto, Canada.



The members of the Board of Directors are as follows:

Mr. Chaim Katzman - Chairman of the Board

Mr. Mr. Arie Mientkavich - Acting Chairman

Mr. Dori Segal - Executive Vice Chairman

Mrs. Noga Knaz - External Director

Prof. Yair Orgeler - External Director

Dr. Shai Pilpel

Mr. Eli Shahar

Board of Directors

The Board of Director's ("BOD") purpose is to determine the Company's short and long-term policy, to appoint functionaries, and to discuss the issues under its authority. The BOD oversees the Company's ongoing management, as carried out by the Company's management, both directly and through the Audit Committee.

Gazit-Globe's BOD consists of 8 members, all of whom possess financial expertise as defined by law, and includes 2 external directors. The Company's BOD ensures conformity with all statutory and regulatory requirements for promoting the interests of the Company and its shareholders.

Gazit-Globe ensures that conflict of interests are avoided through a number of control mechanisms including Gazit-Globe's Audit Committee and additional internal enforcement mechanisms dealing with the different economic, social and environmental aspects such as business restrictions and

environment performance. Gazit-Globe upholds the Israeli Company Law and the demands of the authorities and the legislation regarding Stakeholders conflict of interest.

BOD Members are re-elected every four years. Prior to re-election, the BOD member's performance is evaluated based on different criteria such as professional knowledge, participation, knowledge of the company's core business, etc. Only the most qualified, professional and appreciated members continue to serve on the board.

The BOD takes an active role in improving the Company's Corporate Responsibility performance. The Board members determines and approves all strategic policies (e.g. social investment policy etc.) and are informed on all management decisions and company activities (e.g. Maala ranking, CSR reporting, community involvement activities, etc.).

Executive Management

Gazit-Globe's Executive Management Team is responsible for the ongoing management of the Company according to the policy dictated by the Board of Directors. Executive Management Team operates according to the Company's vision in order to create value for its shareholders and achieve its goals. They prepare an annual work plan which matches those of the subsidiaries, examine the companies' actual vs. planned performance, and set objectives for the subsidiaries and the staff units. Executive Management Team cooperates with the privately held subsidiaries, and supports them in their activities. Gazit-Globe is involved in the activities of these public companies through appointment of members to their Board of Directors.

Gazit-Globe also has publicly-held subsidiaries, whose ongoing management is carried out by their independent managements. Gazit-Globe is involved in the activities of these public companies through appointment of members to their Board of Directors.

Executive management strives towards maximizing knowledge share, transfer of capabilities and creation of synergies between all companies in the Gazit-Globe Group.

The Company's management aims to implement its long-term corporate philosophy and policy in all issues concerning matters such as mergers and acquisitions; as well as banking and non-banking funding, relations with capital markets, and so on. In addition, Executive Management oversees the Company's conformity to its legal obligations in transactions, and is in continuous contact with regulative bodies.

The Company's Executive Management strives to nurture and strengthen all internal and external relationships with employees, the community, and the environment in which the Company operates.

Gazit-Globe Executive Management Team

Mr. Chaim Katzman - Chairman of the Board

Mr. Mr. Arie Mientkavich - Acting Chairman

Mr. Dori Segal - Executive Vice Chairman

Mr. Roni Soffer - President


Mr. Gil Kotler - Chief Financial Officer

Mr. Eran Ballan - General Counsel

Ms. Varda Zuntz - Company Secretary





An aerial photograph of a lush green landscape. A dirt path winds through the grass, bordered by a dense line of trees. In the upper left, there's a small cluster of trees and a paved area. The overall scene is a healthy, natural environment.

“Gazit Globe believes in protecting the environment, and thus its subsidiaries have begun constructing green shopping centers that conform to environmental standards.”

From the Gazit-Globe
Social Investment Policy for 2009


The background features several large, abstract geometric shapes. Two prominent red triangles are located in the upper half of the image. The lower half is composed of several grey trapezoidal and triangular shapes arranged in a pattern that suggests a stylized architectural structure or a series of steps. The word "Stakeholders" is centered in the middle of the image, overlapping the red and grey shapes.

Stakeholders



Internal Stakeholders

Stakeholder	Stake in the Organization and Dialog
Owners, Management and Employees	<p>Shareholders / Investors</p> <p>Gazit-Globe's shareholders take part in organizational management through decisions which are brought before the general assembly for approval. The shareholders' rights and duties are detailed in the Company's statute. Dialog between the shareholders and the Company is carried out through general assembly meetings and through the publication of reports and updates.</p> <p>Gazit-Globe operates in compliance with the Israeli Companies Law, which states that the following issues be discussed and approved at the Company's Shareholders General Assembly: (1) Company Regulations, Board's jurisdiction, (2) Appointment, termination and work terms of the auditing accountant, (3) Appointment of external directors, (4) Approval of actions and contracts; (according to paragraph 255 and 268 to 275), (5) Enlargement of the registered capital stock and (6) Merges. Furthermore, any shareholder holding 1% or more in voting rights for the General Assembly can suggest to the Board a topic for the next General Assembly's agenda. Also, any shareholder holding 5% or more of the Company's outstanding shares and 1% or more voting rights or any shareholder holding 5% or more in voting rights can assemble a special Stockholders General Assembly.</p>
	<p>Subsidiaries and Associate Companies</p> <p>Gazit-Globe is a major share-holder in 6 publicly-held companies which are traded on various stock exchanges around the world ('Public Companies') and also controls various privately held subsidiaries through out the world. Decisions on material and strategic matters regarding the privately-held subsidiaries are made through dialog between each subsidiary's management and Gazit- Globe headquarters. In addition, Gazit-Globe's has a substantial board representation in Public Companies.</p> <p>The operational and the financial performance of all its affiliates (both private and public), among other, influence and determine Gazit-Globe's performance.</p>

Stakeholder	Stake in the Organization and Dialog	
	<p>Board of Directors</p> <p>The Company's Board of Directors dictates Company policy and supervises its performance, function and operation. This is done via board meetings and board committee meetings conducted both in an ongoing manner and as deemed necessary. In 2009 the Board of Directors held 21 meetings of which 14 meetings were devoted to issues of the Audit Committee and the Investment Committee.</p>	
<p>Owners, Management and Employees</p>	<p>Management</p> <p>Company management is responsible for achieving Company goals according to the policy and guidelines set by the Board of Directors, and to the benefit of the shareholders. This is implemented through ongoing management of the Company which among others, directs and supervises the policies and the operation of its associated companies – specifically in relation to its privately held subsidiaries.</p>	
	<p>Employees</p> <p>Gazit-Globe employees work to act in the best interests of the organization according to corporate management guidelines. Evaluations are periodically carried out in order to provide mutual feedback for the Company and its employees.</p>	

External Stakeholders

	Stakeholder	Stake in the Organization and Dialog
Clients	Tenants and Clients	<p>Tenants: Rent commercial space owned by the Company and its subsidiaries.</p> <p>End-Clients/Consumers: Purchase products and services in the shopping centers owned and managed by the Company. Dialog takes place on several levels including: contracting (with tenants), satisfaction surveys, feedback, client focus groups, and more.</p>
Financers and Suppliers	Financers	Company financers are mainly financial institutons and bond-holders. These financers influence the Company's activity by enabling it to grow, and implement various projects such as property improvement, property development, company acquisitions, etc. Financing facilitates liquidity, stability, and maneuverability.
	Suppliers	<p>Organizations and Professionals Dealing in Construction and Development: Contractors, appraisers, architects, engineers, supervisors, and suppliers of raw materials provide products and services necessary for construction and development works. Their professionalism enables Gazit-Globe to continue improving the quality of its properties and enhancing them according to the needs of both tenants and clients.</p> <p>Service Providers (mainly for staff work): Legal counsel, accountants, economists, marketing and advertising professionals, public relations managers, human resources compensation consultants, research companies, etc. All these professionals work continuously with the Company's headquarters, and contribute their expertise and experience while helping to ensure conformity to regulatory requirements.</p>

	Stakeholder	Stake in the Organization and Dialog
Policy-Setters and Regulatory Bodies	Government and Regulation: Tax Authority, Securities Authority, Building and Development Authorities (Planning and Construction Committee, etc.)	<p>Various government and municipal authorities influence the Company's activities through legislation and policies. The authorities pass laws and regulations which affect the Company's business environment. Decision makers in the areas of activity (planning and construction) directly influence the Company's operational activity.</p> <p>The Company operates lawfully according to guidelines dictated by the authorities while promoting interests represented by their decisions.</p>
	Other Businesses in the Field	<p>Gazit-Globe and its subsidiaries operate commercial activity in diverse countries, and cooperate with leading international players in a variety of fields, including investment companies, foreign government investment funds, institutional entities, and more.</p> <p>Gazit-Globe benefits from the extensive knowledge and expertise of these elements, which create a variety of business opportunities. These elements cooperate with the Company and share the risks and possibilities entailed in its commercial activity, and also benefit from the Company's capability and experience in property and company management.</p>
	Analysts	Gazit-Globe and its Group Companies are listed on six different stock exchanges and receive Analyst coverage from dozens of Analysts world wide. Analysts cover the Company's activity and present their research to investors.

External Stakeholders

	Stakeholder	Stake in the Organization and Dialog
Media, Public, and NPO	Mass Media	The economic press and other media organizations review the Company's activities while promoting transparency and providing the general public with objective information. Gazit-Globe makes use of the press by issuing press releases, which can be found on the Company's website: www.gazit-globe.com
	The Public	The public is comprised of a variety of stakeholders in Gazit-Globe: shareholders, clients, employees, suppliers, service providers, and more. Clients make daily use of our shopping centers. The public's interaction with the Company takes place in a variety of ways: shopping in Company-owned shopping centers, purchase of its securities, provision of services, and more.
	Non-Profit Organizations (Foundations, Social Organizations, etc.)	The Company's social activity is implemented both by volunteer work and through financial donations to various organizations. Gazit-Globe participates in joint projects with various social organizations, and Company volunteers devote their time on both a regular and occasional basis. The organizations and activities are varied, and include: aid to the poor, distributing food, activities with under-privileged children and youth, and more.







Economic Performance

Our financial results are enabled by positive growth supported by sound judgment and financial discretion with quick reaction to good opportunities.



Financial Performance





● Direct Economic Value

Gazit-Globe is characterized by consistent growth, both commercially and financially. The company displays consistent NOI (Net Operational Income) growth with positive, stable cash flow from ongoing operations.

The Company implements a consistent and transparent dividend distribution policy, which is characterized by increasing the dividend to shareholders over time. Our financial results are enabled by positive growth supported by sound judgment and financial discretion with quick reaction to good opportunities.

In recent years, the Group has grown both organically and externally through mergers and acquisitions in its core business. Furthermore, strategic partnerships have been implemented with leading global institutions, such as: CalPERS, GIC (the Singapore government's investment fund), Citibank's investment fund, and more.

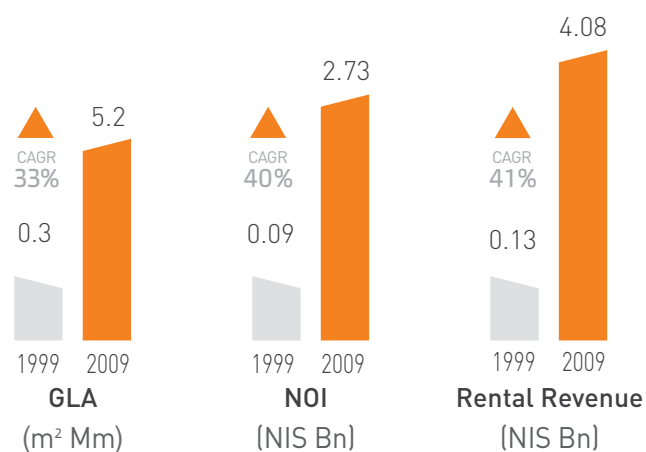
In order to measure Gazit-Globe's direct economic value, data was gathered from the Company's reports. The following tables present the Company's revenue for the 12 month period ending on December 31, 2008:

Gazit-Globe Revenue for 2008

P&L Statement Data	Sum
Total Revenues	NIS 4,169 million
Total Cost of Revenues	NIS 1,849 million
Gross Profit	NIS 2,320 million
Loss from Regular Activities	(NIS 1,592 million)
Loss before Income Taxes	(NIS 3,256 million)
Loss	(NIS 2,659 million)
Shareholders' Loss	(NIS 1,075 million)

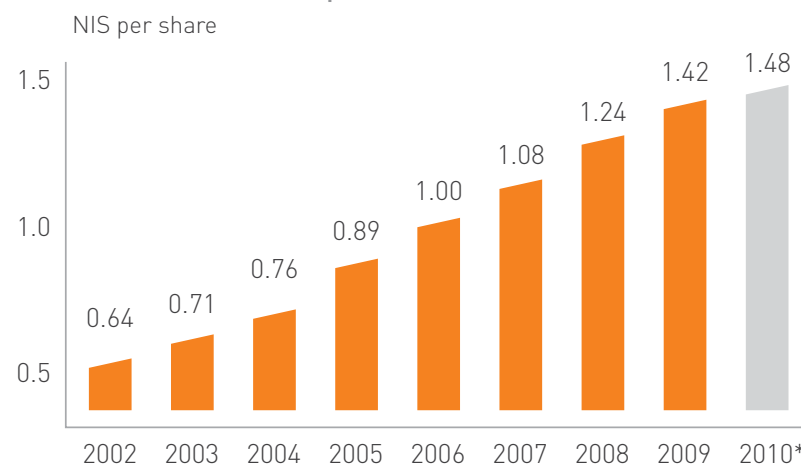
Balance Sheet Data	Sum
Current Assets	NIS 2,697 million
Non-current Assets	NIS 42,004 million
Property for Investment & Under Development	NIS 37,592 million
Total Balance Sheet	NIS 44,730 million
Total Equity	NIS 11,106 million
Total Shareholders' Equity	NIS 3,334 million

Consistent Growth over Decade




*Data does not include Atrium

Growth in Dividend per Share 2002-2010



*Forecast



In our shopping centers we focus on delivering top quality in order to best serve consumers; creating consumer-friendly environmental development; and facilitating accessibility for handicapped populations.

Indirect Economic Influences

Through its associated companies and subsidiaries and as part of its ongoing business, Gazit-Globe acquires, develops and maintains commercial shopping centers, senior housing projects, and medical office buildings, with an emphasis on accessibility and convenience. Each of these activities contributes in many ways to the surrounding community.

Most of the shopping centers that are acquired, developed and managed by the Company meet the daily needs of the local population, and usually include a supermarket anchor, as well as pharmacies, banks, and additional stores and service providers for everyday requirements. The shopping centers permit convenient and accessible commerce and shopping. In addition to large retail chains, these shopping centers also include small and medium sized local businesses which benefit from exposure to shopping center visitors.

In our shopping centers we focus on delivering top quality in order to best serve consumers; creating consumer-friendly environmental development; and facilitating accessibility for handicapped populations.

Over 600 people are employed in the Medical and Senior Housing Centers owned and managed by the privately-held subsidiaries in North America. The number of

employees in the healthcare sector in the United States has been growing considerably - even in the recession period - when other sectors experienced no employment growth. Thus, the Company contributes to employment in those areas where it operates, and promotes economic growth which in turn influences the local economy.

The Senior Housing Centers provide services which contribute to the quality of life of all of the tenants. The medical office buildings meet the public's need for medical services in their immediate vicinity. Medical offices are located adjacent to hospitals enabling all kinds of cooperation such as human resources, knowledge share, infrastructure, collective equipment, etc. Thus, for example, joint research endeavors are formed with surrounding academic institutions.

The Group employs around 2,000 people globally, in addition to a myriad of people who are employed indirectly. Company activities contribute to local economies by creating employment opportunities due to the stores, service centers, suppliers and service providers.

The Gazit-Globe Group pays all taxes according to the law of the various countries wherein it operates, which in turn helps to finance national activities aimed at the welfare of all.



The background features a large, solid olive-green shape in the upper-left corner. Several light gray, irregular geometric shapes are scattered across the white background, some overlapping the green shape and others overlapping each other. The word "Environmental" is centered in the middle of the composition.

Environmental



Performance





*A New Era for
the Environment*



At Gazit-Globe, we are committed to setting new models for guidance and leadership in our environmental performance. Our global perspective on this issue is crystal clear. All of mankind has a common agenda, and thus it is our profound belief that Green Construction and Building Standards are the only way to meet the future.

Environmental Performance

At Gazit-Globe environmental protection is a top priority for all of its subsidiaries

None of the industrial activities that Gazit-Globe participates in have any profound effect on the environment. The Company's activities are mainly comprised of holding companies which provide consumers with products, and which create a positive influence on the environment. Thus, when exploring the environmental aspect of the Company's operations, we chose to report on the activities of Gazit-Globe and some of its subsidiaries, as a report covering the environmental effect of Gazit-Globe alone would not provide the reader with all relevant information.

Policy, Management, Application and Implementation

Gazit-Globe strives to act with responsibility in all its actions and this includes our aim to use existing resources without affecting the possibility for re-usage of these resources in the future.

Almost all Gazit-Globe subsidiaries and associated companies observe green-construction principles, strive to conform to green-building standards and are committed to going to great lengths to manage their business in an environmentally friendly manner.

For example, First Capital Realty is spearheading the drive towards green construction. Since May of 2006, the company has been constructing shopping centers which conform to the LEED* (Leadership in Energy and Environmental Design certification) Standard, and is committed to all new projects being built according to the LEED Standard. Today, the company develops and operates a number of eco-friendly shopping centers.

In Israel, Gazit Israel Development currently adheres to the Israel Standards Institute's Environmentally Friendly Buildings Standard (Green Construction Standard IS 5281) in the construction of all of its new shopping centers. This standard ensures that issues such as energy, land, water, sewage and more are taken into account in the planning and implementation processes. This goes hand in hand with eco-friendly management of the construction process, land pollution surveys supervised and approved by the Ministry for Environmental Protection, waste management and recycling, sustainable construction methods, and more.

Environmental protection is a top priority for Gazit-Globe and all of its subsidiaries. All related issues are supervised by senior management who report directly to company presidents on environmental activity. Furthermore, the Company consults with experts in the field of green construction. Gazit Israel Development's green construction standard was drafted by an independent consultant who is one of the leading experts in the field.



*** LEED Certification** The LEED rating method is the internationally-accepted method for checking the design, construction and operation of eco-friendly structures. LEED certification allows organizations to prove that their construction projects are indeed eco-friendly. The certification examines the overall construction process and reviews criteria in five areas: human and environmental health, site development, water savings, energy efficiency, materials selection, and indoor environmental quality.

○ Gazit Israel - G Kfar Saba

The G Shopping Complex in Kfar Saba was planned with eco-friendly issues in mind. The project's planning phase included a professional consultant for green construction issues, who, together with the Company, explored and discovered environment-friendly construction solutions.

This includes seep-holes for returning rainwater to the ground, skylights/transparent ceilings for reducing energy consumption for lighting, automatic lighting shut-off systems for the outside parking lot, and more.

Creative emphasis was placed on the exceptionally large public area covering around 10,000m² of landscaping, benches, public bicycles, a decorative pool recycling water, and more. The project boasts an inspiring Eucalyptus grove preservation project undertaken in cooperation with Keren Kayemet LeYisrael and the local municipality. The Company strives to conform to all of the Israel Standards Institute's environmental requirements and is currently constructing and implementing all required systems and facilities.







Products and Services

As the leading company in Canada for acquisition, development and operation of supermarket-anchored shopping centers, First Capital Realty Inc. announced as early as October 2007 that 30 properties, either existing or under development, will conform to LEED certification requirements. First Capital Realty was the first real estate investment trust in the country to build a “green” shopping center and commit to all new shopping centers meeting the requirements of the LEED certification. Dori Segal, President and CEO of First Capital proudly expressed his company’s commitment to the environmental process, after having set themselves the “green” goal in their annual shareholder meeting in May, 2006.

Since May 2006, all of the Company’s new development projects are being built according to LEED certification standards. As of the second quarter 2009, 9 development projects were successfully completed and an additional 28 development projects are currently underway or in the planning stages to be built in accordance with LEED certification standards.

In Citycon, green construction is a top priority, and the company is aiming for LEED certification. Petri Olkinuora Citycon’s CEO firmly believes that “The shopping center of the future is green”.

Citycon addresses diverse environmental issues in the green construction process, including waste management, recycling, construction materials, resource efficiency (energy and water), air quality, and more. The Company has initiated a sustainable construction pilot program, which includes construction of a Shopping Center in Liljeholmen, Stockholm; renovation and expansion of the Rocca al Mare Shopping Center in Tallinn, Estonia; and of the Trio Shopping Center in Lahti, Finland.

Gazit-Globe’s plan is to expand its environmentally conscious philosophy step by step, worldwide.

Gazit-Globe squarely faces the challenges of energy efficiency, indoor environment quality, material selection, and minimizing environmental damage during construction.



Environmental Performance and Resource Savings

Gazit-Globe and its subsidiaries use a variety of materials in their ongoing activities, both in commercial-office activities (mainly office equipment, paper, toner, bottles, etc.) and in the shopping centers, where environmental impact mostly has to do with water, energy, packaging and more.

As an integral part of company strategy to minimize our environmental footprint, we strive to decrease use of non-perishable materials while increasing use of recycled materials and sending used products and materials for recycling and/or re-use.

Office Performance at Gazit House

- **Toners:** Mostly recycled toners are used and used toners are sent for recycling by an independent company.
- **Batteries:** The Company provides tenants of Gazit House with a battery-disposal point, and is responsible for transferring the used batteries to facilities which handle such waste. The Company has donated battery-disposal points to several schools in order to promote recycling.
- **Paper:** The Company recycles an average of half a ton of paper per month.
- **Computer Equipment:** Gazit-Globe sends all obsolete equipment for recycling.
- **Plastic Products:** Gazit-Globe collects all recyclable plastic products (mainly drink bottles, and so on) and transfers them to formal collection points.

- **Electricity and Energy:** Gazit House uses an automatic air-conditioning shut-off system. This system enables regular operation of air conditioning and lighting systems during work hours, and shuts off the air conditioning system after work hours which results in considerable energy savings. The system is pre-set to prevent energy waste when the building is empty after working hours, on weekends and on holidays. In April 2008, a control mechanism was installed in Gazit House for regulating the air conditioning system according to usage needs which resulted in significant savings in electricity consumption. Furthermore, all restrooms are equipped with a water saving system.

Environmental Performance in Construction and Operation of Shopping Centers

- **Water:** Gazit Israel Development is implementing a directive for installing and using water-saving devices in restrooms. In the "G Ba'Emek" project in Afula, landscaping development at the entrance to the complex was carried out using the "dry garden" principle.
- **Cardboard Packaging:** In FCR ongoing collection of packaging is carried out in the shopping centers, and packaging materials are sent for recycling.
- **Energy:** Citycon's shopping centers are committed to using low energy levels wherever possible.
- **Use of Materials during Construction:** Our subsidiaries use a variety of materials which are selected for their environmental impact as well. The following table details the materials used in Citycon's Trio Project according to cost.

	Material Cost €	Post-consumer recycled cont. %	Pre-consumer recycled cont. %	
Concrete Reinforcement - Steel	80 816	95	0	76776
Insulation Material	43 454	0	0	0
Steel Structures	995 641	40	0	398256
Supplementary Steel Structures	461 006	40	0	184403
				659435
Recycling Ratio				0,10696

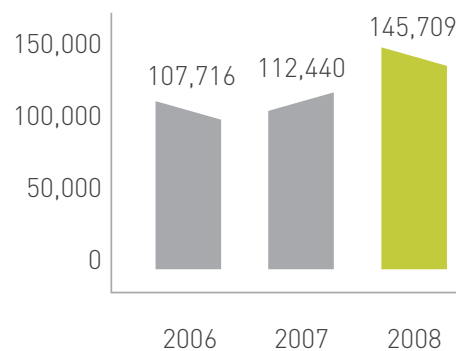


Energy and Water

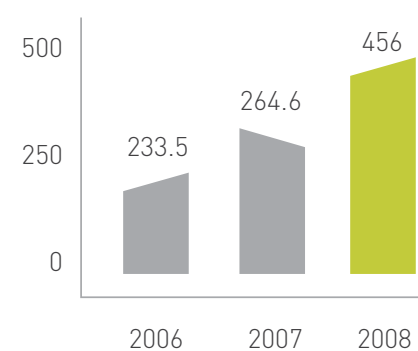
Gazit-Globe recognizes the importance of using water and energy responsibly and the domino effect this causes on the environment. The Company promotes responsible use of energy and water in its headquarters, as well as in all of its centers in Israel and abroad.

	2006	2007	2008
Electricity	107,716	112,440	145,709
Water	233.6	264.6	456

Energy Consumption
at Gazit Globe (in kW)



Water Consumption (m³)
at Gazit Globe



Biodiversity in Natural Habitats

At Gazit-Globe, our subsidiaries are sensitive to the issues of protecting the biodiversity of species in their natural habitats and we strive to take care of any existing species and biodiversity. Thus, for example in the open urban public space surrounding the G Center in Kfar Saba, Gazit Israel has begun integrating initiatives for the preservation, care and integration of a Eucalyptus Grove (together with the municipal authority and Keren Kayemet LeYisrael) in order to preserve the site's natural habitat.

In Beit Ha'Ikarim (The Farmers House) on Kaplan Street in Tel Aviv, we did everything in our power to enhance a biodiversity project by naturally integrating the preservation of the existing cypress trees.

In light of the fact that centers owned by subsidiaries such as Citycon are located in urban areas, their impact on local biodiversity is negligible to non-existent. However, at Gazit-Globe, we continuously examine all our activities in this area and its possible impact as part of the process for LEED certification. We do this in order to ensure that we do not adversely affect the biodiversity of our project sites. Also, in all processes pertaining to rights, building permits and zoning processes, we examine our activities according to similar criteria in order to avoid causing any possible harm to local biodiversity.

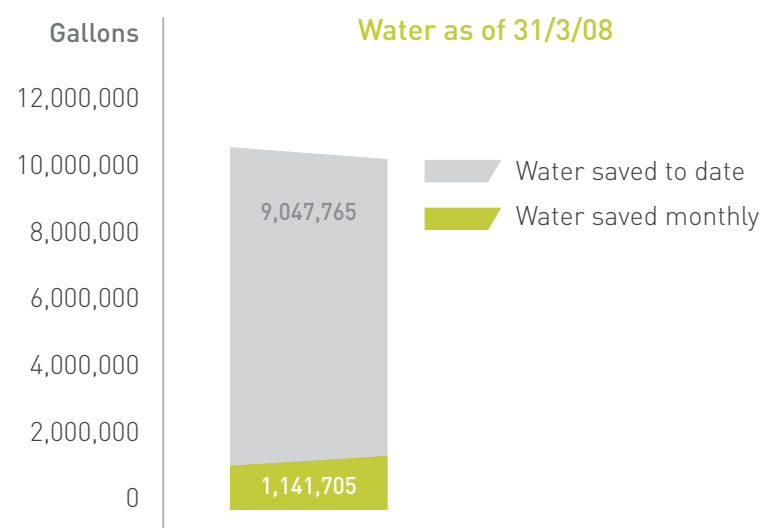
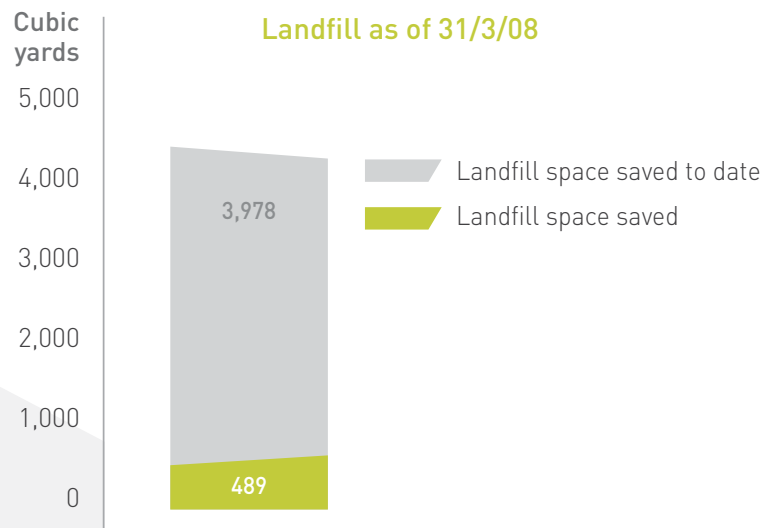
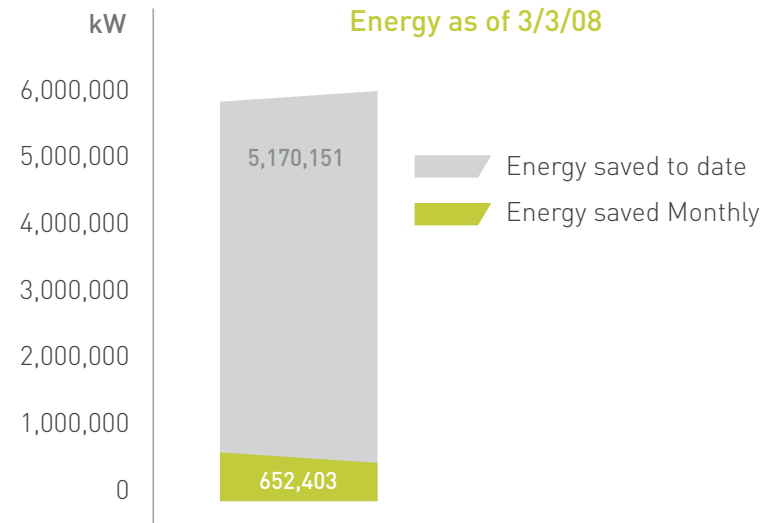
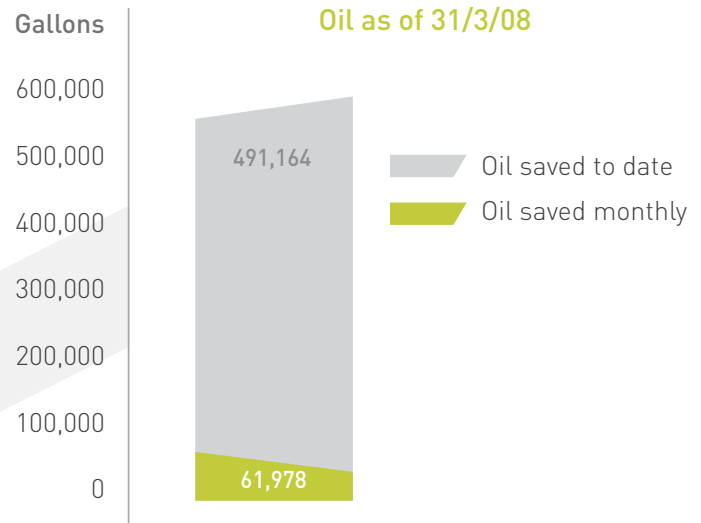
Emissions, Sewage and Waste

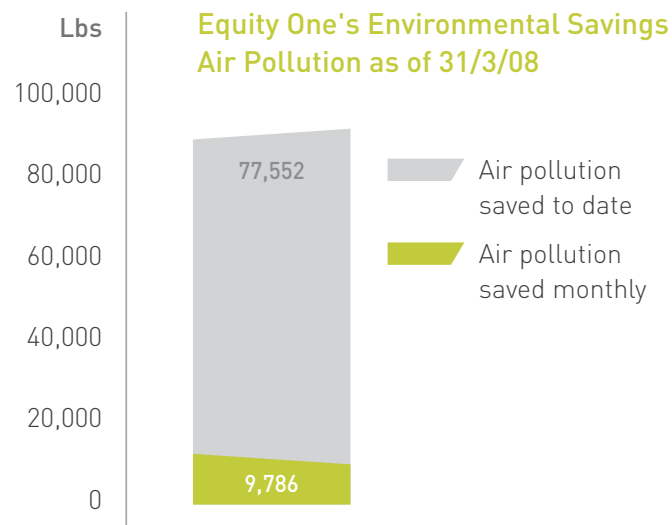
Citycon makes every conscious effort to recycle waste in its shopping centers. Biological waste including various food products can be transformed into compost; combustible waste can be converted into energy; and glass, paper and cardboard can be recycled for use as raw materials for industry. The Company extensively recycles the waste created in the shopping centers and according to Citycon estimates; the percentage of waste reuse is as follows:

As raw materials for industry	40%
As energy	15%
Compost	20%

EQY's properties are becoming more eco-friendly now that the company has implemented an extensive recycling program. The goals of this program are to decrease the amount of solid waste, to encourage recycling, and to create a positive impact on natural resources and the environment. The program encompasses recycling of glass, plastic, metal, wood, and recycling activities are estimated at approximately 493 square yards (450 m²) of recycled materials each month. Up to March 31, 2008, approximately 4,967 square yards (4542 m²) of the above materials were recycled.

Environmental Savings at Gazit Globe





In addition, Gazit Israel has begun implementing responsible waste, emissions and sewage management policies. All projects currently under development operate in accordance with requirements set by the Ministry for Environmental Protection and other authorities such as prevention of pollutant emissions, waste disposal to authorized sites, and so on. As part of the company's activities, employees partake in building demolition works. Company employees operate according to the requirements of the Israeli standard for demolitions in Israel, and in the case of projects outside of Israel, the company selects either the local or the Israeli standard, whichever is deemed the more stringent one.





Environmental Reporting

Gazit-Globe is currently condensing its environmental performance data into this CSR report. Furthermore, our subsidiaries conform to the requirements of the LEED standard that monitor their performance and analyze data for issues including water and energy efficiency, indoor environmental quality, and more.





Social Performance





As we fine-tune our corporate philosophy, it is clear to us that the value relevance of enhancing and improving our social performance ultimately influences shareholder value and creates an extra-financial value that at the end of the day will ensure a better future for our company.

Social Performance

Ethical Business Conduct

Gazit-Globe deems ethical business conduct to be a fundamental value in all operations, and works to instill this value in all subsidiaries. In 2008, Gazit-Globe formulated a corporate code of conduct and ethics, which guides Company employees in their everyday work and in cases of moral dilemmas. The code outlines the Company's duties and attitude regarding employees, suppliers, clients, and shareholders and refers to moral principles such as avoiding conflict of interests, fair business conduct, decent work environment, and more.

During implementation and explanation of the Company's code of conduct and ethics, two members of management were selected as ethics supervisors. They are available to all employees for guidance or for reporting cases of behavior which conflict with the moral principles dictated by the code.

Gazit-Globe's code of conduct and ethics serves as a model of inspiration to our subsidiaries who have not yet adopted such a code, and supplements the policies in those companies which have implemented their own codes of conduct and ethics such as Equity One and First Capital Realty.

Employment Policy and Fair Employment

Employment

At Gazit-Globe HQ in Israel, the Company employs 29 employees and managers of which the majority are full-time employees whose terms of employment are regulated through long-term contracts. In our subsidiaries most employees are employed full-time, as shown in the following table:

Company	Geographic Region	Employees	% Full-Time Employees
Gazit-Globe	Israel	29	93%
Gazit Israel	Israel	54	94%
First Capital Realty	Canada	115	100%
Equity One	USA	151	98%
Citycon	Europe	113	98%

Figures and percentages for employee turnover by age, sex, and region

Company	Geographic Region	Total No. of Employees Who Terminated Employment	Age Group		
			Under 30	30–50	Over 50
Gazit-Globe*	Israel	4	4	0	0
Gazit Israel	Israel	19	5	8	6
First Capital Realty	Canada	30	8	22	0
Equity One	USA	56	9	35	12
Citycon	Europe	18	1	7	10

* Figures for 2008

Gazit-Globe is fully committed to all its employees, even when a decision has been made to terminate their employment, for any reason whatsoever. Upon termination of any employee's employment with the Company, it is Company policy to provide the employee (if the latter has worked for at least one year), with a period of time greater than that mandated by law, in order to get organized and begin their new career.



Employee Benefits

● Life Insurance

At Equity One all full-time employees are covered for life and accident insurance, as well as long-term disability insurance. Furthermore, every employee is entitled to purchase additional life insurance coverage for him/her self and/or his/her family at discounted prices (group price).

● Executive Insurance, Pension Funds and Study Funds

Gazit-Globe conforms to all statutory requirements in Israel regarding employment and social benefits. The Company employees receive executive insurance coverage, pension funds, and study funds and all employees with social benefits are insured with work disability coverage.

● Shares/Options

Most executive and professional employees are given the choice to purchase Company shares and/or options subject to the relevant rules of inside information.

Training, Education and Promotion Surveys

Gazit-Globe regards its employees as a vital resource for the Company's success, and thus is happy to provide employees with a variety of different training options. Employees of all levels enjoy professional training, instruction, and a wide range of professional courses.

Gazit-Globe	Hours of Training	
	Total Hours Training 2007	Total Hours Training 2008
Management	73	45
Professional Employees	68	62
Administration	-	10

The Company supports employees who pursue academic studies. It does so by permitting absence from work for study; providing flexibility for completing work hours lost due to study time; granting leave without pay; saving the employee's position during his or her studies; and more.

Once a year, the Company's CEO meets personally with all Company VPs who in turn conduct personal meetings with their subordinates. These annual sessions cover issues such as employee promotions, significant achievements, contribution to the Company and points for reinforcement. These sessions also cover financial compensation such as bonuses and/or raises which are then personally approved by the CEO.

Gazit-Globe does not tolerate any act of harassment, including discrimination-based harassment, and encourages its employees to report any hint or knowledge of such inappropriate behavior

Diversity and Equal Opportunity

Gazit-Globe conducts its business without discrimination based on race, origin, religion, sex, sexual preference, age or disability. As stated in the Company's code of conduct and ethics - as well as in that of First Capital Realty and Citycon - recruitment, employment, training, promotion, allocation, transfer and/or termination of employees are based on the employee and his/her ability, achievements, experience, conduct, and other reasonable business considerations - and strictly on these criteria. Gazit-Globe does not tolerate any act of harassment, including discrimination-based harassment, and encourages its employees to report any hint or knowledge of such inappropriate behavior. In the period covered by this report, no cases of discrimination were reported in Gazit-Globe Ltd., or in Gazit Israel.

Reported Cases of Discrimination and Action Taken

Gazit-Globe and its subsidiaries do everything possible to prevent cases of discrimination in the workplace while understanding that there is a need to establish suitable mechanisms for handling them if and when they occur.



Distribution by Sex and Age

Gazit-Globe	Sex		Age Group		
	% Women	% Men	Under 30	30-50	Over 50
Board of Directors	12.5%	87.5%	0	37%	63%
Management	14%	86%	0	43%	57%
Professional Employees	45%	55%	0	100%	0
Administration	78%	12%	56%	44%	0

Gazit-Globe Israel (Development)	Sex		Age Group		
	% Women	% Men	Under 30	30-50	Over 50
Management	33%	67%	0	83%	17%
Salary Ratio	1.36:1				
Professional Employees	49%	51%	18%	51%	31%
Salary Ratio	0.96:1				
Administration	100%	0%	67%	22%	11%

Citycon	Sex		Age Group		
	% Women	% Men	Under 30	30-50	Over 50
Corporate Management Committee	33%	66%			
Other Directors	21%	79%	5.4%	73.2%	21.4%
Managers	40%	60%			
Other Personnel	66%	34%			

Equity One	Sex		Age Group		
	% Women	% Men	Under 30	30-50	Over 50
Executive/Senior Officers & Managers	33%	66%	14%	63%	23%
First/Mid Officers & Managers	57%	43%			
Professionals	69%	31%			
Sales Workers	80%	20%			
Administrative Support	95%	4%			
Labors & Helpers	0%	100%			

Citycon - Equal Opportunity Plan


Citycon views the issue of equal employment opportunity as a top priority. Each individual is treated with respect, equality and fairness, regardless of sex, beliefs, age and more. As part of the Group's equal opportunity plan, the Group undertakes to:

- Pro-actively promote equality among employees
- Ensure equal recruitment, training, and career development for men and women of different ages
- Ensure equal pay for equal work
- Ensure that workplace and work conditions promote equal opportunity
- Encourage the proper balance between family life and career
- Provide employment conditions free of sexual harassment

The Equal Opportunity Plan is an integral part of the Company's regular operations, and pertains to all employees in Finland, Sweden, and the Baltic states. It is measured and examined annually by Company employees.

In addition to the code of conduct and ethics, the companies have formulated procedures and plans for promoting equality and protecting their employees from insult and harassment. Thus, the Company's foreign subsidiaries have formulated procedures for dealing with sexual harassment, appointed managers to oversee the implementation of these procedures, determined procedures for dealing with possible harassment in the organization, and warned employees regarding possible sanctions.

In Israel, Gazit-Globe and Gazit Israel Development employ all measures required under the Sexual Harassment Prevention Law. A sexual harassment prevention statute is publicly displayed in our offices, and supervisors of both sexes are available in case of possible harassment, or for filing complaints.

A low-angle shot of a man and a woman wearing yellow hard hats and smiling while shaking hands. The man is on the left, wearing a blue and white plaid shirt. The woman is on the right, wearing a dark blazer. In the background, a tall yellow construction crane is visible against a blue sky with light clouds. The overall scene conveys a sense of partnership and achievement in a construction or industrial setting.

In all of the Company's years of operations, there has never been a single complaint, investigation or action pertaining to child or forced labor.

Human Rights and The Workplace

Human Rights

Contractual Employees

Gazit-Globe employs a number of contractual employees, mainly for cleaning and maintenance. The Company places great importance on protecting the rights of these employees, while ensuring proper and lawful employment conditions. Gazit-Globe proactively ascertains that external employees working for the Company are granted basic rights such as fair wages, rest times as mandated by law, annual leave, convalescence and so on. Gazit-Globe grants external employees with additional benefits such as refreshments, holiday gifts, and more.

At weekly team meetings, open dialog enables every employee to voice their opinion, discuss various issues, and share both positive and negative experiences.

Fair Work Environment

Child Labor and Forced Labor

All of the companies in the Gazit-Globe Group strongly oppose basic human rights violations. The Group's companies employ adults who work of their own free will and who receive appropriate pay and decent work conditions. In all of the Company's years of operations, there has never been a single complaint, investigation or action pertaining to child or forced labor.

Employee Satisfaction Survey

Gazit-Globe serves as the Group's Headquarters and operates with a limited number of employees who manage, influence, and oversee the activities of the operational subsidiaries. Communications between employees and their superiors

in Gazit-Globe is carried out personally in a variety of ways and channels. Weekly management meetings are held and the Company's CEO conducts weekly personal meetings with each member of the Company's management. In these meetings, Company executives provide reports and updates regarding their areas of responsibility, and discussions are held on various matters.

Every week, the Company's executives conduct team meetings with their subordinates - CFO with the Finance and Accounting Team; Company Secretary with the Administrative Team; and so on. At weekly team meetings, open dialog enables every employee to voice their opinion, discuss various issues, and share both positive and negative experiences.

Furthermore, Gazit-Globe's CEO meets personally with all Company employees at least once a year, asks about their work, and enables employees to openly discuss what they think is commendable or lacking in their work and in the Company in general.

Equity One emphasizes the importance of open, sincere dialog with employees. In June, 2008, an anonymous survey was carried out by a third party, and included over

100 employees (management and non-management), from all units of the Company, who have been working with the Company for 3 months to over 10 years. This survey examined employee satisfaction with the Company itself, with their direct superiors, with their employment terms, and so forth. Survey participants were requested to state their level of agreement (from 1 to 5, with 5 being the highest level of agreement) with various statements. The results of the survey were positive and are shown as follows:

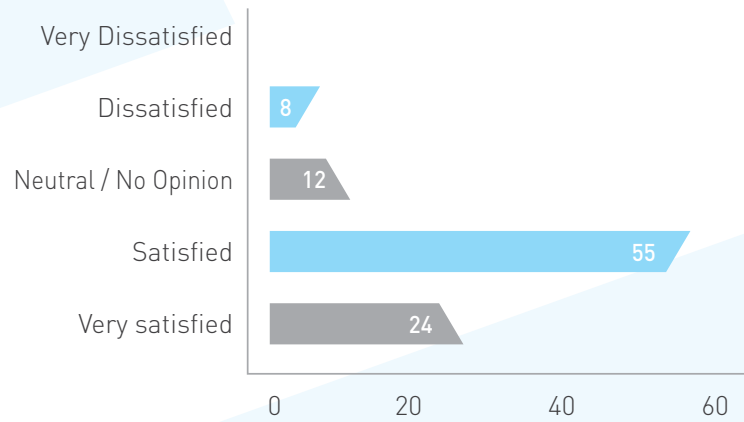
The issues that received the highest scores:

Question	Company Average Answer
• My boss/supervisor treats me fairly	4.26
• My boss/supervisor is knowledgeable about my work	4.21
• Your overall relationship with your boss/supervisor	4.18
• Your relationship with your peers	4.18
• My boss/supervisor has reasonable expectations of my work	4.14
• Satisfied with boss/supervisor's management capabilities	4.09
• My boss/supervisor takes time to listen to me	4.09

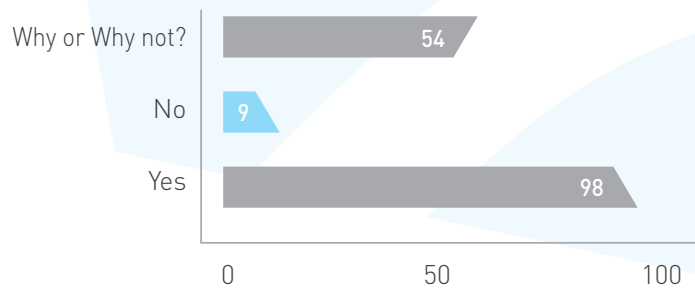
The issues that received the lowest scores:

Question	Company Average Answer
• Frequency and amount of bonus	3.1
• Connection between pay and performance	3.26
• Access to company paid training & seminars	3.31
• Ability to influence decisions affecting you	3.43
• Level of satisfaction with your salary	3.43
• Level of satisfaction with your workload	3.5

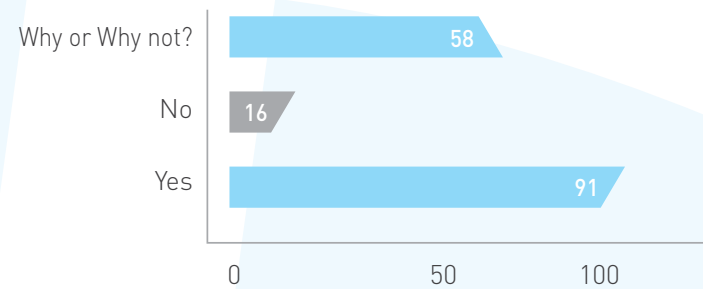
Overall, how satisfied are you with Equity One?



I would refer Equity One to a friend or acquaintance, as a potential customer



I would refer Equity One to a friend for employment



Society

Community

Gazit-Globe contributes to the community through commercial activity offering consumers everyday products and services which are available in one easy-to-access, convenient location. The Company's shopping centers include big chain stores as well as local businesses, and thus provide shopping diversity for the community.

In addition to its ongoing commercial activity, Gazit-Globe believes that it is both a duty and a privilege to contribute to the surrounding community. Over the years, the Company has generously donated to organizations promoting various causes designed to advance the community in Israel and abroad.

In December of 2008, the Board of Directors approved Gazit-Globe's Social Investment Policy for 2009. This policy describes Gazit-Globe's and its privately-held subsidiaries' commitment to contribute, invest and help the surrounding community. It also explains the connection between the Company's vision with commercial operations and philanthropic activity such as donations and employee volunteer work.





"Gazit-Globe's beliefs are expressed in its ongoing commercial operations. Almost all of its shopping centers are located in the vicinity of residential neighborhoods, and meet the basic needs of the community (supermarkets, pharmacies, consumer goods, banks, hair salons, and various everyday services). Several issues are taken into consideration such as consumer accessibility and convenience, ease of access, parking and comfortable movement for handicapped individuals. Furthermore, the Company believes in protecting the environment, and so its subsidiaries have begun constructing "green" shopping centers that conform to environmental standards."

Gazit-Globe deeply cares about, and also promotes issues of health, education, welfare, arts and culture. Gazit-Globe believes in helping the surrounding community in Israel and around the world, as well as rural populations. The target populations for the Company's philanthropic activities are defined in its policy, and include: children and adults suffering from illnesses; youth at risk; students; physically challenged children; and more.







We are proud to donate in many ways

Donations

The total sum donated by the Company in the reporting period is as follows:

The annual budget for donations for **2007** totaled NIS 2.9 million and was divided approximately as follows:

- Organizations in Israel - 63%
- Organizations abroad - 37%

The annual budget for donations for **2008** totaled NIS 5.3 million and was divided approximately as follows:

- Organizations in Israel - 67%
- Organizations abroad - 33%

The annual budget for donations for **2009** totaled NIS 2.85 million and was distributed as follows:

- Organizations in Israel - 70%
- Organizations abroad - 30%

Donations in Israel are targeted to the causes of welfare, education, health, arts and culture, and "adopting" IDF regiments.

Employee Volunteer Work

Gazit-Globe supports employee volunteer work, which is done on company time, and organized and coordinated with the Company's full cooperation. Volunteer work in 2008 included assistance to children and youth, distributing food to the needy, and more. These activities were carried out together with a number of Gazit-Globe-supported organizations such as "Larger Than Life" and "Psagot", and with community organizations which are near to the Company's headquarters, such as "The Association for Promoting Education in Jaffa".





Association for Promoting Education, Welfare & Health in Jaffa

The Association runs a Food Distribution Center helping to prevent malnourishment and hunger in underprivileged families. Established together with the Tel Aviv Municipality, the Center is mainly operated by volunteers. Gazit-Globe volunteers, who regularly help distribute food to the needy, verify that food distribution is carried out appropriately, and check whether the recipients are in need of anything else.

In several cases where Gazit-Globe volunteers found people in need of basic electrical appliances or repairs to residential apartments, Gazit employees, with the Company's support, cooperated to provide further assistance. In addition, a sports day was held for children who attend the Association's Club in Jaffa.

"The joy of volunteering comes from actual time commitment and team work."

Feryl Akin, Director Corporate Communication, EQY

Larger Than Life

The "Larger Than Life" Organization was established by parents of children suffering from cancer. Throughout the year, the organization organizes various activities for children and their families in order to try and improve the quality of the children's lives.

These activities are intended to provide ill children with the will and the strength necessary to fight and overcome their illness. This brief respite is an important part in the children's recovery and enables them to meet other children with similar conditions while having a little childhood fun, if only for a few days.

Gazit-Globe employees help to organize social activities and unforgettable experiences for the "Larger Than Life" children, with the participation of Company employees. This includes shows presented in the Company's commercial centers during vacation, invitations to recording studios, and gifts for the organization's children.

Equity One - Community Spirit Program

In November of 2008, Equity One initiated a community involvement and employee volunteering program called "Community Spirit". In addition to financial donations, Gazit-Globe is committed to being an active member of the surrounding community wherever its employees live and work.

Gazit-Globe believes that supporting the needy is particularly important in hard times such as the 2008 economic crisis. This initiative is characterized by collaboration with select charity organizations wherein groups of Gazit-Globe's employees join to help with a variety of projects. Participation in volunteer activities is not mandatory, and according to company rules, all employees that volunteer for various projects are paid for their time spent volunteering. Gazit-Globe hopes that the volunteer initiatives started at Equity One will expand and reach the lives of the volunteering employees and their families.

○ Anti-Corruption and Risk Management

Internal Auditor

During the course of 2008 Gazit-Globe has appointed a new comptroller (Grant Thornton) for Gazit-Globe in order to strengthen the Company's internal auditing activities. The new comptroller specializes among others in internal auditing and covers all the activities of Gazit-Globe and its privately-held subsidiaries. The comptroller examines a wide range of issues, as specified in the Company's long-term work plan and approved by the Company's senior management.

One way in which the company manages its risk, is through risk management surveys performed in Gazit-Globe and in its private companies as well as applying the "Goshen Regulations", which is essentially the adoption of the Israeli version (in part) of the Sarbanes Oxley Regulations, in the Gazit-Globe and in its subsidiaries under rules determined via the application methodology.

Under the application framework, the company is examining the work processes taking place which have a substantial effect on the company's financial reporting. Consequently the company is performing improvements in its internal controls, existing in these procedures and examining the effectiveness of the controls in order to provide high security and reliability to the company's financial reporting system, and thereby reduce risk exposure.

Risk Survey

In 2008, a risk survey was conducted in Gazit-Globe, together with an independent specialist from accounting firm BDO.

The risk survey aimed to examine and expose risks both at headquarters and in the privately-held subsidiaries. At the headquarters level, a wide range of topics were reviewed such as Company Procedures, Computerized Systems, Procurement, Supervision, and Control over Subsidiaries, etc. Regarding the subsidiaries, topics reviewed included Human Resources, Computerization, Real Estate Transactions, and more. Following the survey a work plan was prepared with well-defined priorities and action for results.

Procedure Formulation and Renewal

After receiving the results of the risk survey, the Company began formulating and renewing its procedures, in order to minimize various risks including: Procurement Procedures, Property Management, Signatory Rights, Salaries, etc.

Goshen Committee Recommendations for Corporate Governance

Gazit-Globe is familiar with the recommendations of the Goshen Committee for examining Corporate Governance code and is preparing itself to adopt the committee's recommendations into Israeli law. The Company seeks to formulate procedures in the near future which match the outlook of the committee's recommendations, so as to ensure that the Company conforms to future requirements.

Anti-Competitive Behavior

In the reporting period, no legal action was taken against Gazit-Globe Ltd. as regards antitrust and anti-competition laws.



At Gazit-Globe we regard the health and safety of our employees with utmost importance, and take all possible measures to ensure conformity to the strictest of standards.




Product Responsibility

Client Health and Safety

At Gazit-Globe we regard the health and safety of our employees with utmost importance, and take all possible measures to ensure conformity to the strictest of standards. Thus, for example, Equity One, which owns and manages properties in the United States and Canada, has formulated stringent procedures for dealing with shopping center safety regarding cover lighting, parking, maintenance of public areas and more.

Gazit-Globe views maintenance and the appearance of its properties, as well as the safety and wellbeing of their visitors as top priorities. Maintenance procedures include a thorough weekly inspection which is carried out in each site by the site manager, as well as a monthly night inspection. The purpose of these periodic inspections is to make sure that service providers and suppliers meet the quality standards set by the company, and to inform the relevant parties of ongoing maintenance issues, before they become significant problems. In addition to periodic inspections, ongoing reports



All of our safety procedures are clarified in manuals and distributed to site security guards, project tenants, and managers of the company's sites and centers.

are submitted to the property management's Senior Vice President with respect to each property and are kept for a period of 12 months.

The insurance companies we work with conduct random inspections of all properties in order to highlight and present the company with additional safety measures which should be adopted in order to avoid potential law suits.

At Citycon, strict attention is paid to regular safety and emergency procedures. All of our safety procedures are clarified in manuals and distributed to site security guards, project tenants, and managers of the company's sites and centers. These manuals detail the appropriate procedures for protecting the health and safety of people visiting the company's sites in both routine and emergency situations such as fire, terrorist event, or robbery. All safety measures are checked routinely to ensure that emergency doors are not locked and that passages are free of obstructions. A direct line to the nearest fire brigade enables immediate response by emergency fire and rescue crews, and all structures are built of non-flammable materials. Centers have clear emergency evacuation procedures and all shopping center employees undergo training in this matter.

Client Satisfaction

Gazit-Globe engages in the acquisition, development and operation of shopping centers aimed at serving the community, and thus regards client satisfaction in these shopping centers as a top priority.

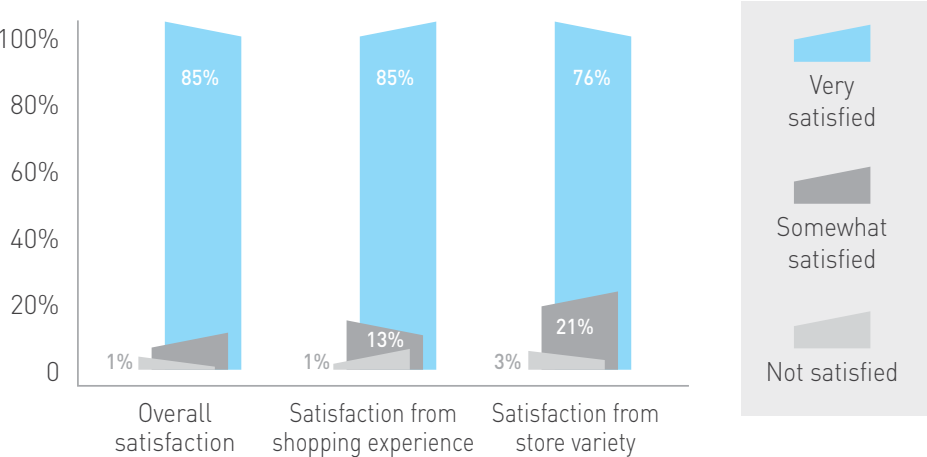
In the past two years, Gazit Israel Development surveyed approximately 1,100 clients in four of its shopping centers in Israel through an independent surveying agency.

These surveys enable the company's management to understand the needs of its clients while taking decisions to improve client service and satisfaction.

Survey participants were asked to rate their overall satisfaction with the shopping center and specific issues such as store variety, shopping experience, café and restaurant diversity and more.

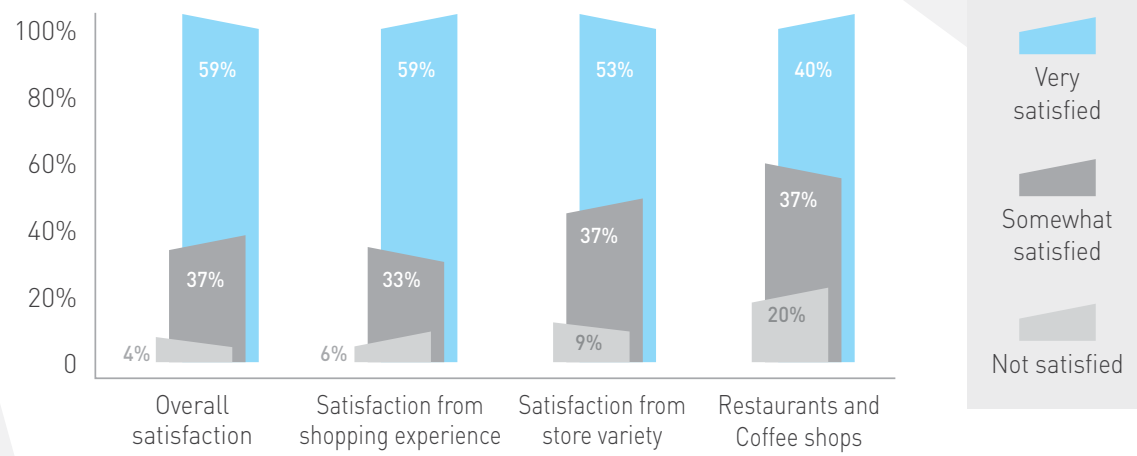


Satisfaction by Various Parameters in Rothschild Mall

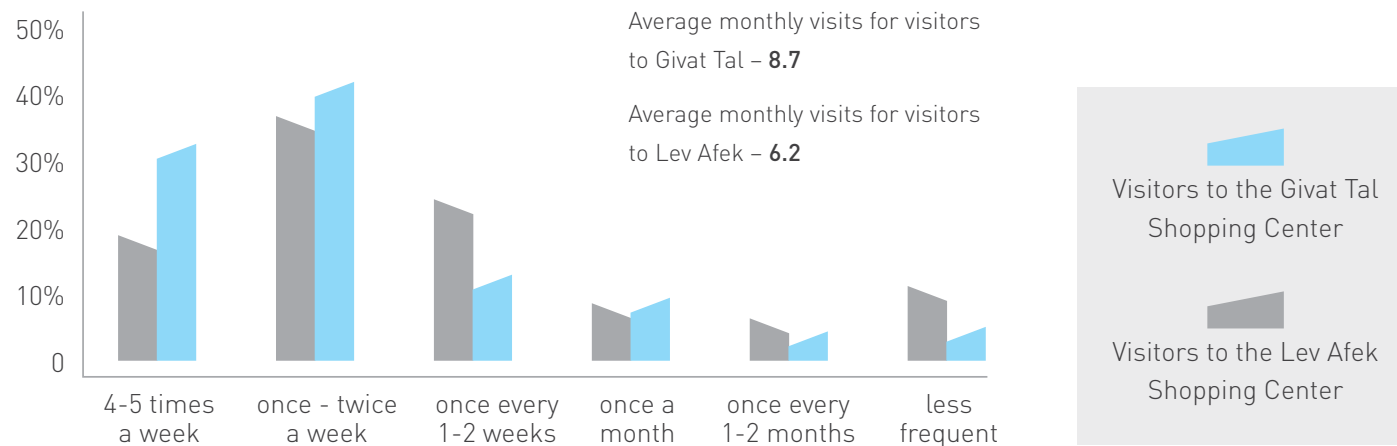


Shopping mall visitor satisfaction is very high. This is also expressed in the specific parameters (shopping experience and store variety).

Satisfaction by Various Parameters in G Ba'Emek (Average)



Visit Frequency to Shopping Centers in Rosh Ha'Ayin



As shown, Gazit-Globe customer satisfaction ranges from medium to very high, and is expressed in both direct satisfaction measurements and through indirect parameters such as frequency of visits to the shopping centers and/or the percent of those surveyed who stated that nothing is lacking in the centers.

In all of our foreign companies, client satisfaction is measured on a regular basis. Clients of Gazit-Globe's subsidiaries can be divided into two groups: tenants, who rent stores in our shopping centers; and end-consumers, who use the facilities and stores in the shopping center. Citycon checks the satisfaction level of these two client groups, and has recently added another group of decision makers in the retail chains who open branches in the company's centers.

Thus, every year, the company surveys the satisfaction of store owners and merchants in its shopping centers; and once every two years, it surveys the satisfaction of end consumers that buy in the shopping center stores. Once every two to three years, the company contacts decision makers in the chains who rent Gazit-Globe properties in order to examine their satisfaction level of interaction with the company.





At Gazit-Globe we strive to be constantly attentive to all clients' needs while implementing changes and innovations. ➡



➡ We do this by ultimately meeting our clients' evolving needs in shopping center structures, services, store mix and more.







Summary & Conclusions

Summary & Conclusions

This is the first Corporate Responsibility Report created by Gazit-Globe and contains diverse social and environmental performance data. CR has become a vital, essential tool for us at Gazit-Globe. As we grow and develop, CR offers us a heightened awareness of our social and environment responsibility for enhancing a sustainable business ethic and creating a better future for all. This chapter summarizes our current CR status as well as our objectives and targets for the future.





CR Communication Channels

Gazit-Globe aims to establish a regular forum for promoting diverse CR issues with representatives from Gazit-Globe, the subsidiaries and our associated companies. Our target is to create and maintain open dialog with transparent communication channels between companies with a twice annual Board Meeting to be held on updated corporate responsibility management strategy.

Financial Performance

Gazit-Globe displays consistent NOI growth with positive, stable cash flow from ongoing operations. The Company implements a consistent and transparent dividend distribution policy, with increasing dividends paid out to shareholders over time. We aim to continue a strategy of conservative and consistent growth within our primary markets of activity and leverage the Group's operating platforms, expertise and solid reputation to continue being a leader in those markets. Our target is to continue providing our shareholders with stable and growing returns.

Environmental Savings

Green Construction

Gazit-Globe is deeply aware of the importance of eco-friendly standards and prioritizes the use of eco-friendly initiatives. Gazit-Globe is in the process of striving for adherence wherever possible in most construction projects to Environment Friendly Buildings Standards, Green Construction Standards and LEED Standards. Gazit-Globe is doing its utmost to create future plans whereby our building projects will not create harm to the environment. We aim to bring all of our subsidiaries and affiliated companies, which are currently independent, into line with our green thinking and we are working through our CSR forum to promote knowledge share and flow of information on this issue in order to convey our mutual green goals for the future.

Recycling

Gazit-Globe and most of its subsidiaries try to use recycled materials and wherever possible send used products and materials such as paper, plastic products, batteries, computer equipment and toners for recycling.

Gazit-Globe aims to recycle most of the waste created in its shopping centers: biological waste is transformed into compost; combustible waste is converted into energy; and glass, paper and cardboard is recycled for use as

raw materials for industry. Some of our sites have implemented recycling programs for recycling of glass, plastic, metal and wood.

Gazit-Globe helps its subsidiaries get updated data to increase environmental awareness of tenants' employees and enhance management of their business in a more environment friendly way. Gazit-Globe is focused on increasing its scope of recycling activities and enhancing use of environment friendly materials while promoting environmental awareness within all the communities we operate in.

Energy and Water Savings

Gazit-Globe is making a conscious effort for the future in order to reduce power and water consumption from year to year. Gazit-Globe is creating future plans to enable implementation of water savings devices in most subsidiaries and promote awareness of water efficiency in Shopping Centers in order to promote a quality environment while helping tenants to recycle and save water.

Social Performance

Code of Ethics

In 2008, Gazit-Globe formulated a corporate Code of Ethics which serves as a model of inspiration to our subsidiaries who have not yet adopted such a code, and supplements the policies of those who have implemented their own codes of conduct and ethics. We constantly communicate the idea that the Code of Ethics is a living and breathing issue that changes according to needs and world trends and we encourage each company to tailor their Code of Ethics according to needs and desires. In the future, we aim to conduct surveys on implementation of the ethical code and create work plans to promote improvements according to the needs of each individual company.

Fair Employment Policy

Gazit-Globe provides employee benefits such as Life Insurance, Executive Insurance, Pension Funds, Study Funds and Shares/Options. Employees of all levels enjoy professional training, expert instruction and selection from a wide range of professional courses. Gazit-Globe believes in diversity and equal opportunity and conducts its business without discrimination based on race, origin, religion, gender, sexual preference, age or disability.



Human Rights and the Workplace

At Gazit-Globe, respect for humanity is a top priority and we aim to continue our status as a preferred employer. Gazit-Globe believes in fair employment terms; promotes a fertile, work positive place; offers professional training programs and enrichment of professional skills; and promotes equal opportunity rights for all. Gazit-Globe conducts weekly team meetings where open dialog enables every employee to voice their opinion, discuss various issues, and share both positive and negative experiences. In most locations, anonymous surveys are carried out by a third party examining employee satisfaction with the Company, their direct superiors, and their employment terms. External employees working for the Company are granted basic rights as mandated by law and additional benefits such as refreshments, holiday gifts, and more.

Volunteering, Donations and Community

Gazit-Globe strives to be constantly attentive to client needs while implementing changes and innovations for meeting evolving trends in shopping center structures, services, store mix and more. Gazit-Globe has implemented policies for donations and volunteering for the whole Group and promotes issues of health, education, welfare, arts and culture, and helping the surrounding community in all areas of operation. Gazit-Globe aims to increase its annual budget for donations according to company growth and maintains open dialog with social organizations to promote cooperation. Gazit-

Globe encourages involvement of employees to volunteer their work time in helping surrounding communities and most employees offer volunteer services for activities in our areas of expertise.

Corporate Governance

Gazit-Globe works with an internal comptroller and external accountant in order to facilitate transparency, responsibility and anti-corruption throughout the Group.

Client Safety and Satisfaction

Most Gazit-Globe companies apply maintenance and safety procedures and our insurance companies conduct random inspections of most sites to ensure client and employee safety. Most of our sites are covered by insurance according to the safety standards and regulations as dictated by local laws. In most Gazit-Globe companies, client and tenant satisfaction is measured on a regular basis. In the future, it is our aim to implement periodical feedback surveys across the company with check lists and follow up, all on an ongoing basis.

Our CR Forum will share knowledge and information flow throughout the Group in order to convey and aspire to mutual green goals for the future.

The background features several overlapping, irregular yellow-outlined polygons of various shapes and sizes, creating a dynamic, abstract pattern. The text "GRI Index" is centered within this pattern.

GRI Index



Gazit-Globe GRI Declaration

“The Global Reporting Initiative (GRI) is a network-based organization that has pioneered the development of the world’s most widely used sustainability reporting framework and is committed to its continuous improvement and application worldwide.”

GRI website: www.globalreporting.org/AboutGRI/WhatIsGRI

Gazit-Globe has taken a conscious decision to create a CR Report according to the Global Reporting Initiatives third version of the guideline (G3 Guidelines, published in 2006) in order to enhance the report’s technical quality, credibility, and relevance.

Application Level

In order to comply with the terms of GRI’s G3 guidelines, Gazit-Globe was required to address the issue of selecting the Application Level most suitable for the Company. According to the GRI, CR Reports aiming to qualify for level C, C+, B, B+, A or A+ must contain each of the criteria that are presented in the column for the relevant level.

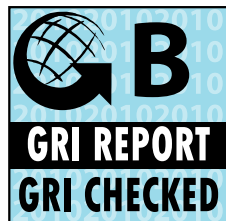
Self Declared Application Level

Early on during the initial stages of creating its first CR Report, Gazit-Globe set a clear target that its first report should qualify as a B rated report.

Regarding the self-declared application level, Roni Soffer, President of Gazit-Globe acknowledged, “We have finally fulfilled our ambition of creating a Corporate Responsibility report with a highly respectable “B” grade from the GRI. It gives us great pride and joy to present our first report as it represents our commitment to growth and a brighter, greener future.”

Following Gazit-Globe’s self declaration, the CR Report was sent for a thorough GRI check and after a professional analysis, GRI sent a reply that confirmed that Gazit-Globe has met the requirements for application level “B”.

Report Application Level		C	C+	B	B+	A	A+
Standard Disclosures	G3 Profile Disclosures. OUTPUT	Report on: 1.1 2.1-2.10 3.1-3.8, 3.10-3.12 4.1-4.4, 4.14-4.15	Report Externally Assured	Report on all criteria listed for level C plus: 1.2 3.9, 3.13 4.5-4.13, 4.16-4.17	Report Externally Assured	Same as requirement for Level B.	Report Externally Assured
	G3 Management Approach Disclosures. OUTPUT	Not Required.		Management Approach Disclosures for each Indicator Category.		Management Approach disclosed for each Indicator Category.	
	G3 Performance Indicators & Sector Supplement Performance Indicators. OUTPUT	Report on a minimum of 10 Performance Indicators, including at least one from each of: social, economic, and environment.		Report on a minimum of 20 Performance Indicators, at least one from each of: economic, environment, human rights, labor, society, product responsibility.		Respond on each core G3 and Sector Supplement* indicator with due regard to the materiality Principle by either: a) reporting on the indicator or b) explaining the reason for its omission.	



The following table includes core items from the Global Reporting Initiatives reporting guidelines and shows Gazit-Globe Ltd's conformity to the reporting criteria set under the G3 principles.

Criteria	Description	Reference in Report	Page	Annual Report 2009 www.gazit-globe.com/ 329-en/Gazit.aspx	G3 Guidelines
1	Strategy and Profile				
	Strategy and Analysis				Strategy and Analysis
1.1	Statement from the most senior decision maker of the organization about the relevance of sustainability to the organization and its strategy.	Message from the President	4		
1.2	Description of key impacts, risks, and opportunities.	Message from the President	4	Chapter 1: Section A - 23 + 25	
2	Organizational Profile				Organizational Profile
2.1	Name of the organization.	cover	1		
2.2	Primary brands, products, and/or services	Gazit-Globe Group	22		
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	Organizational Structure	23		
2.4	Location of organization's headquarters.	Global Presence	28		

Criteria	Description	Reference in Report	Page	Annual Report 2009 www.gazit-globe.com/329-en/Gazit.aspx	G3 Guidelines
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	Global Presence	26		
2.6	Nature of ownership and legal form.	Gazit-Globe Group	22		
2.7	Markets served	Global Presence	28		
		Financial Performance	49		
2.8	Scale of the reporting organization	Financial Performance	50	Chapter 1: Section A - 6.4.1+7.4.1+8.4.1+9.6.1+11.2.4.1+15.1	
		Employment Policy and Fair Employment	74	; Section B - 4.1 Chapter 3: Consolidated statements of financial position Chapter 4: Article 24	
2.9	Significant changes during the reporting period regarding size, structure, or ownership			Chapter 2: Paragraph 2.1 A+B Chapter 3: Notes to consolidated financial statements - 27+28	

Criteria	Description	Reference in Report	Page	Annual Report 2009 www.gazit-globe.com/329-en/Gazit.aspx	G3 Guidelines
2.10	Awards received in the reporting period	Corporate Responsibility Activities	15		
		Corporate Governance, Responsibilities and Dialog	30		
3	Report Parameters				Governance, Commitments, and Engagement
3.1	Reporting period (e.g., fiscal/ calendar year) for information provided.	Corporate Responsibility Activities	15		
3.2	Date of most recent previous report (if any).	N/A This is Gazit-Globes first report			
3.3	Reporting cycle	Corporate Responsibility Activities	15		
3.4	Contact point for questions regarding the report or its contents.	Corporate Responsibility Activities	Back Cover		

Criteria	Description	Reference in Report	Page	Annual Report 2009 www.gazit-globe.com/329-en/Gazit.aspx	G3 Guidelines
3.5	Process for defining report content	Corporate Responsibility Activities	15		
3.6	Boundary of the report	Corporate Responsibility Activities	15		
3.7	State any specific limitations on the scope or boundary of the report. If boundary and scope do not address the full range of material economic, environmental, and social impacts of the organization, state the strategy and projected timeline for providing complete coverage.	N/A			
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	N/A			
3.9	Data measurement techniques and the bases of calculations	Corporate Responsibility Activities	15		

Criteria	Description	Reference in Report	Page	Annual Report 2009 www.gazit-globe.com/329-en/Gazit.aspx	G3 Guidelines
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re statement (e.g., mergers/ acquisitions, change of base years/periods, nature of business, measurement methods).	N/A This is Gazit- Globes first report			
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	N/A This is Gazit- Globes first report			
3.12 GRI Content Index	Table identifying the location of the Standard Disclosures in the report. Identify the page numbers or web links.	GRI Index	112		
3.13 Assurance	Policy and current practice with regard to seeking external assurance for the report. If not included in the assurance report accompanying the sustainability report, explain the scope and basis of any external assurance provided. Also explain the relationship between the reporting organization and the assurance provider(s).	N/A No external assurance provided			

Criteria	Description	Reference in Report	Page	Annual Report 2009 www.gazit-globe.com/329-en/Gazit.aspx	G3 Guidelines
4	Governance, Commitments, and Engagement				
4.1	Governance structure of the organization	Corporate Governance, Responsibilities and Dialog	30		
4.2	Indicate whether the Chair of the highest governance body is also an executive officer (and, if so, their function within the organization's anagement and the reasons for this arrangement).	Corporate Governance, Responsibilities and Dialog	30		
4.3	For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members. State how the organization defines 'independent' and 'non-executive'. This element applies only for organizations that have unitary board structures. See the glossary for a definition of 'independent'.	N/A Gazit globeLtd does not have a unitary board structure			

Criteria	Description	Reference in Report	Page	Annual Report 2009 www.gazit-globe.com/329-en/Gazit.aspx	G3 Guidelines
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	Internal Stakeholders Human Rights and The Workplace	38 84		
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives and the organization's performance			Chapter 4: Article 21	
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	Corporate Governance, Responsibilities and Dialog	32		
4.7	Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organization's strategy on economic, environmental, and social topics.			Chapter 2: Paragraph 4.2	

Criteria	Description	Reference in Report	Page	Annual Report 2009 www.gazit-globe.com/329-en/Gazit.aspx	G3 Guidelines
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation. Explain the degree to which these: <ul style="list-style-type: none"> • Are applied across the organization in different regions and department/units; and • Relate to internationally agreed standards. 	OUR CORE VALUES Ethical Business Conduct	20 74		
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance	Corporate Governance, Responsibilities and Dialog	32		
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	Corporate Governance, Responsibilities and Dialog	32		

Criteria	Description	Reference in Report	Page	Annual Report 2009 www.gazit-globe.com/329-en/Gazit.aspx	G3 Guidelines
4.11 Comm itments to External Initiatives	The organization's approach to risk management in operational planning or the development and introduction of new products.	Internal Corruption Review	94		
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	Message from the President Environmental Performance	4 58		
4.13	Memberships in associations.	Gazit Group - Membership in Associations	25		
4.14	List of stakeholder groups engaged by the organization.	Stakeholders	36		
4.15	Basis for identification and selection of stakeholders with whom to engage.	Corporate Responsibility Activities	15		
4.16	Approaches to stakeholder engagement.	Stakeholders	36		
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	Stakeholders	36		

Criteria	Description	Reference in Report	Page	G3 Guidelines
Economic Performance				Economic
EC	Management Approach		52	
	Economic Performance			Economic Performance
EC1 Core		Financial Performance	48	Economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.
EC2 Core		N/A		Financial implications, other risks and opportunities for the organization's activities due to climate change.
EC3 Core		N/A		Coverage of the organization's defined benefit plan obligations.
EC4 Core		N/A		Significant financial assistance received from government.
	Market Presence			Market Presence
EC5 Additional		N/A		Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation.
EC6 Core		N/A		Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.
EC7 Core		N/A		Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.
	Indirect Economic Impacts			Indirect Economic Impacts

Criteria	Description	Reference in Report	Page	G3 Guidelines
EC8 Core		In the Social Performance section	Mainly 86-93	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.
EC9 Additional		Indirect Economic Influences	52	Understanding and describing significant indirect economic impacts, including the extent of impact.
Environmental Performance				Environmental
EN	Management Approach		57	
	Materials			Materials
EN1 Core	Materials used (weight/volume)	(Table)	65	Materials used by weight or volume.
EN2 Core	Percentage of materials used that are recycled input materials	(Table)	65	Percentage of materials used that are recycled input materials.
	Energy			Energy
EN3 Core	Direct energy consumption	(Table)	65	Direct energy consumption by primary energy source.
EN4 Core	Indirect energy consumption	N/A		Indirect energy consumption by primary source.
EN5 Additional	Energy saved due to conservation and efficiency improvements.	Emissions, Sewage & Waste	66 + all throughout the report	Energy saved due to conservation and efficiency improvements.
EN6 Additional	Initiatives to provide energy efficient products	Product & Services	62 + all throughout the chapter	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.

Criteria	Description	Reference in Report	Page	G3 Guidelines
EN7 Additional	Initiatives to reduce indirect energy consumption (and achievements)	N/A		Initiatives to reduce indirect energy consumption and reductions achieved.
	Water			Water
EN8 Core	Water consumption	(Table)	65	Total water withdrawal by source.
EN9 Additional	Water sources	N/A		Water sources significantly affected by withdrawal of water.
EN10 Additional	Percentage and total volume of water recycled	N/A		Percentage and total volume of water recycled and reused.
	Biodiversity			Biodiversity
EN11 Core		N/A		Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.
EN12 Core		Biodiversity in Natural Habitats	66	Description of significant impact of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.
EN13 Additional		N/A		Habitats protected or restored.
EN14 Additional		N/A		Strategies, current actions, and future plans for managing impact on biodiversity.
EN15 Additional		N/A		Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.

Criteria	Description	Reference in Report	Page	G3 Guidelines
	Emissions, Effluents, and Waste			Emissions, Effluents, and Waste
EN16 Core		Emissions, Sewage & Waste	66-68	Total direct and indirect greenhouse gas emissions by weight.
EN17 Core		N/A		Other relevant indirect greenhouse gas emissions by weight.
EN18 Additional			for example: 59, 62 (in reference to po LEED standard) all throughout the chapter	Initiatives to reduce greenhouse gas emissions and reductions achieved.
EN19 Core		N/A		Emissions of ozone-depleting substances by weight.
EN20 Core		N/A		NOx, SOx, and other significant air emissions by type and weight.
EN21 Core		Emissions, Sewage & Waste	66	Total water discharge by quality and destination.
EN22 Core		Emissions, Sewage & Waste	67	Total weight of waste by type and disposal method.
EN23 Core		N/A		Total number and volume of significant spills.
EN24 Additional		N/A		Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.

Criteria	Description	Reference in Report	Page	G3 Guidelines
EN25 Additional		N/A		Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.
Products and Services				Products and Services
EN26 Core		Policy, Management, Application and Implementation	58 + and all throughout the chapter	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.
EN27 Core		N/A		Percentage of products sold and their packaging materials that are reclaimed by category.
Compliance				Compliance
EN28 Core		N/A		Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.
Transport				Transport
EN29 Additional		N/A		Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.
Overall				Overall
EN30 Additional		N/A		Total environmental protection expenditures and investments by type.

Criteria	Description	Reference in Report	Page	G3 Guidelines
Social Performance: Fair Employment				Social Performance: Labor Practices & Decent Work
LA	Management Approach		75	
	Employment			Employment
LA1 Core		Employment Policy and Fair Employment	74	Total workforce by employment type, employment contract, and region.
LA2 Core		Employment Policy and Fair Employment	75	Total number and rate of employee turnover by age group, gender, and region.
LA3 Additional		Employee Benefits	76	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.
	Labor/Management Relations			Labor/Management Relations
LA4 Core		N/A		Percentage of employees covered by collective bargaining agreements.
LA5 Core		N/A		Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.
	Occupational Health and Safety			Occupational Health and Safety
LA6 Additional		N/A		Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.

Criteria	Description	Reference in Report	Page	G3 Guidelines
LA7 Core		N/A		Rates of injury, occupational diseases, lost days, absenteeism, and number of work-related fatalities by region.
LA8 Core		N/A		Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.
LA9 Additional		N/A		Health and safety topics covered in formal agreements with trade unions.
Training and Education				Training and Education
LA10 Core		Training, Education and Promotion Surveys	77	Average hours of training per year per employee by employee category.
LA11 Additional		N/A		Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.
LA12 Additional		Training, Education and Promotion Surveys	77	Percentage of employees receiving regular performance and career development reviews.
Diversity and Equal Opportunity				Diversity and Equal Opportunity

Criteria	Description	Reference in Report	Page	G3 Guidelines
LA13 Core		Distribution by Sex and Age	80	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.
LA14 Core		N/A		Ratio of basic salary of men to women by employee category.
	Social Performance: Human Rights			Social Performance: Human Rights
HR	Management Approach		78	
	Investment and Procurement Practices			Investment and Procurement Practices
HR1 Core		N/A		Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening.
HR2 Core		N/A		Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.
HR3 Additional		N/A		Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.
	Non-Discrimination			Non-Discrimination
HR4 Core		Reported cases of Discrimination and Action Taken	78	Total number of incidents of discrimination and actions taken.

Criteria	Description	Reference in Report	Page	G3 Guidelines
	Freedom of Association and Collective Bargaining			Freedom of Association and Collective Bargaining
HR5 Core		N/A		Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights.
	Child Labor			Child Labor
HR6 Core		Fair Work Environment	83	Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor.
	Forced Labor			Forced and Compulsory Labor
HR7 Core		Fair Work Environment	83	Operations identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of forced or compulsory labor.
	Security Practices			Security Practices
HR8 Additional		N/A		Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.
				Indigenous Rights
HR9 Additional		N/A		Total number of incidents of violations involving rights of indigenous people and actions taken.

Criteria	Description	Reference in Report	Page	G3 Guidelines
Social Performance: Society			Social Performance: Society	
S0	Management Approach		84	
	Community			Community
S01 Core		Community	86	Nature, scope, and effectiveness of any programs and practices that assess and manage the impact of operations on communities, including entering, operating, and exiting.
	Corruption			Corruption
S02 Core		Internal Corruption Review	94	Percentage and total number of business units analyzed for risks related to corruption.
S03 Core		Internal Corruption Review	94	Percentage of employees trained in organization's anti-corruption policies and procedures.
S04 Core		N/A		Actions taken in response to incidents of corruption.
	Public Policy			Public Policy
S05 Core		N/A		Public policy positions and participation in public policy development and lobbying.
S06 Additional		N/A		Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.
	Anti-Competitive Behavior			Anti-Competitive Behavior
S07 Additional		Internal Corruption Review	94	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.

Criteria	Description	Reference in Report	Page	G3 Guidelines
	Compliance			Compliance
S08 Core		N/A		Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.
	Social Performance: Product Responsibility			Social Performance: Product Responsibility
PR	Management Approach		96	
	Customer Health and Safety			Customer Health and Safety
PR1 Core		Client Health and Safety	96	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.
PR2 Additional		N/A		Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impact of products and services during their life cycle, by type of outcomes.
	Products and Service Labeling			Products and Service Labeling
PR3 Core		N/A		Type of product and service information required by procedures and percentage of significant products and services subject to such information requirements.
PR4 Additional		N/A		Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.

Criteria	Description	Reference in Report	Page	G3 Guidelines
PR5 Additional		Client Satisfaction	98	Practices related to customer satisfaction, including of survey results measuring customer satisfaction.
Marketing Communications				Marketing Communications
PR6 Core		N/A		Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.
PR7 Additional		N/A		Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.
Customer Privacy				Customer Privacy
PR8 Additional		N/A		Total number of substantiated complaints regarding breaches of customer privacy and customer data losses.
Compliance				Compliance
PR9 Core		N/A		Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.

March 2010

Roni Soffer and the Gazit -Globe Group,

We are happy to congratulate you on the completion and publication of your first Corporate Responsibility Report.

A CR report is a challenging journey towards transparency, stakeholders' dialogue, measurement & evaluation of environmental and social investment - an integral part of a global corporate responsibility strategy.

We are proud that Gazit-Globe is an active member of Maala Corporate Leadership, ranked Platinum in the Maala CSR Index and listed at the Maala Index on the Tel-Aviv stock exchange.

We value your ongoing efforts and vision in leading a responsible business, and excited that you have joined the leading group of reporting corporations in Israel.

Yours Sincerely,



Mr. Momo Mahadav

President &CEO

Maala-Business for Social Responsibility





Re: Corporate Responsibility Report ("CR")

We would like to take this opportunity and congratulate Gazit Globe Ltd. for the publication of its first Corporate Responsibility Report.

At Deloitte Brightman Almagor Zohar, we highly regard Corporate Responsibility and appreciate all corporations that demonstrate their commitment to CR through such a report. Moreover, we believe that CR practice and reporting can contribute to positive business practices in various ways, such as:

- **Strengthen the brand and enhance the present reputation** of a company that is not only interested in the financial bottom-line but is also demonstrating responsible, social behavior in achieving its financial goals.
- **Establishing and modeling positive corporate culture** in managing and reporting of various aspects of CR, e.g. human rights, employment terms, corporate governance, community involvement, etc.
- **Engagement in world-wide best practices and norms** as the subject of CR is generating a great deal of world-wide interest in corporations, investors, consumers, and regulators.
- **Workforce loyalty and commitment** since employers' CR practices enhance the sense of belonging as well as add pride to company employees for being part of such a caring organization.
- **Differentiation from competitors** especially if the company aspires to be positioned as an innovator and leader in the area of CR.
- **Risk management** since the management and reporting of CR practices present a new database that was not monitored or presented as a whole and/ or examined in relation to the company's goals.

As the Advisors who accompanied the reporting process, we do affirm our pleasure and pride in having been a part of such a report presenting the economic, environmental, social, and ethical performance of Gazit Globe, all according to the international reporting standards of the Global Reporting Initiative (GRI). Further, we are aware of the inherent challenges of collecting the data from Gazit Globe, as well as, from some of its subsidiaries in Israel and abroad. By having been able to address the different challenges and present this CR report, Gazit Globe is thus joining a small elite group of Israeli corporations that are trailblazing this way of business thinking in such a vibrant market.

We are confident that Gazit Globe will reap enormous benefits arising from its CR activities introduced via this report, in addition to the benefit of being a responsible, reliable company. Last, we hope that you will continue with your involvement in and evolution of CR practices and hope this collaboration was as enjoyable for you as it was for us.

Sincerely yours,



Irena Ben Yakar

Partner | Enterprise Risk Services

Brightman Almagor Zohar

Member firm of Deloitte Touche Tohmatsu

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